

**GOVERNMENT THAT WORKS!
NEW JERSEY DEPARTMENT OF THE TREASURY
LOCAL GOVERNMENT BUDGET REVIEW
TOWNSHIP OF BLOOMFIELD
BOARD OF EDUCATION**

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GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Township of Bloomfield Board of Education Budget Review Team

New Jerseyans deserve the best government that their tax dollars can buy. Governor Christie Whitman is committed to making State government leaner, smarter, and more responsive, by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board.

Government on all levels must stop thinking that more money is the solution to their problems, and start examining how they spend the money they have now. The State's taxpayers cannot afford to keep sending money to their government. It is time for government to do something different.

There is no doubt that local government costs -- and the property taxes that pay for them--have been rising steadily over the last decade. Until now, the State has never worked with towns to examine what is behind those rising costs. That is why the Local Government Budget Review Program was created by Governor Whitman and State Treasurer Brian W. Clymer. Its mission is simple: to help local governments find savings, without compromising the delivery of services to the public.

The Local Government Budget Review Program fulfills a promise Governor Whitman made in her first budget address, when she offered the State's help to local governments looking to cut costs. This innovative approach combines the expertise of professionals from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a management review and consulting service provided to them at no cost by the state.

To find those "cost drivers" in local government, the teams will review all aspects of the local government operation, looking for ways to improve efficiency and reduce costs. The teams will also document those State regulations or legislative mandates which place an unnecessary burden on local governments, and suggest which ones should be modified or eliminated. Finally, the teams will note where local governments are utilizing "Best Practices" -- innovative ideas that deserve recognition and that other municipalities may want to emulate.

This intensive review and dialogue between local officials and the review team is designed to produce significant insight into what factors are driving the costs of local governments, and provide the necessary tools to bring meaningful property tax relief to the State.

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
REVIEW PROCESS	4
EXECUTIVE SUMMARY	5
COMPARISON OF BUDGET	7
INTRODUCTION	9
BEST PRACTICES	11
OPPORTUNITIES FOR CHANGE/ FINDINGS & RECOMMENDATIONS	14
Administration	14
District Comparisons	15
Personnel	16
Health Benefits	19
Finance	20
Business Function Computerization	25
Insurance	27
Legal	28
Special Education	30
Basic Skills	35
English as a Second Language/ Bilingual Education	35
Guidance and Counseling Program	38
Athletics	40
School Nursing & Medical Services	41
Libraries/Media Centers	42
Facilities	43
Food Service	49
Transportation	52
Individual School Highlights	54
Shared Services	57
Statutory & Regulatory Reform	60

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the Review Team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the Review Team, and agree to an open public presentation and discussion of the Review Team's findings and recommendations.

As part of the review of the Bloomfield Township Board of Education, team members interviewed each elected official, as well as school employees, appointees, members of the public, and contractors. The Review Team examined current collective bargaining agreements, audit reports, annual financial statements, and independent reports and recommendations previously developed for the community. The Review Team physically visited and observed the work procedures and operations throughout the School District to observe employees in the performance of their duties.

In general, the Review Team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. These estimates have been developed in an effort to provide the community an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
BLOOMFIELD TOWNSHIP BOARD OF EDUCATION**

A. Administration

A greater coordination of clerical work and enhanced cross-training could potentially provide for a reduction in clerical staff of one employee at an approximate savings of \$22,750.

B. Personnel

Actual instructional/pupil contact time in Bloomfield is considerably less than State-wide averages. An increase in this time would result in a productivity enhancement valued at approximately \$612,521.

An improved leave reporting system could result in a productivity enhancement valued at approximately \$3,430.

A reduction in payroll processing time by reducing the schedule to twice per month and including all payments could result in a productivity enhancement valued at approximately \$12,984.

C. Health Benefits

The Team suggests that the Dentist is not eligible for health benefit coverage as a non-contractual, non-employee. This would save approximately \$2,593.

D. Finance

Improved estimation of surplus amounts could provide a one-time revenue of approximately \$500,000.

Improved cash management procedures could lead to an estimated \$6,000 in increased investment income.

E. Special Education

A modest return of Bloomfield special education students back to the District could yield an estimated \$338,280 in savings compared to out-of-district education costs.

An increase of special education students from other districts could yield an estimated \$184,000 in additional revenue.

F. Facilities

The competitive contracting of custodial services could yield an estimated \$351,029 in savings compared to in-house service costs.

G. Food Service

By including the cost of lunch aides in the food service costs and increasing meal costs to reflect this higher cost, the District could realize an estimated \$120,959 in additional revenue.

A reduction in the provision of special function meals could yield an estimated savings of approximately \$6,784.

Greater efforts in securing a more competitive food service contract could result in a decrease in the management fee of approximately \$8,336. A more competitive contract would also negate a portion of the need to increase the per meal costs to meet expenses.

H. Transportation

A computerized bus routing system could assist the District in reducing the number of bus routes and associated costs currently in place. This system is estimated to cost \$8,000.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND LOCAL
TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
BLOOMFIELD TOWNSHIP BOARD OF EDUCATION**

A. Administration		\$22,750
Clerical Staff Reduction	\$22,750	
B. Personnel		\$628,935
Instructional Time Productivity Enhancement	\$612,521	
Improved Leave Reporting Productivity	\$3,430	
Payroll Processing Productivity Enhancement	\$12,984	
C. Health Benefits		\$2,593
Elimination of Dentist's Coverage	\$2,593	
D. Finance		\$506,000
* Revenue Enhancement from Surplus	\$500,000	
Increased Investment Income	\$6,000	
E. Special Education		\$522,280
Increased In-District Placement	\$338,280	
Increased Tuition	\$184,000	
F. Facilities		\$351,029
Custodial Service Contracting	\$351,029	
G. Food Service		\$136,079
Correction of Operating Deficit	\$120,959	
Reduction in the # of Special Function Meals	\$6,784	
Reduction in Management Fee	\$8,336	
H. Transportation		\$(8,000)
Computerized Routing	\$(8,000)	
* Denotes one-time revenue		
TOTAL		\$2,161,666

Total Amount to be Raised for School Tax	\$31,693,922
Savings as a % of School Tax	7%
Total Budget (FY 95)	\$40,094,423
Savings as a % of Budget	5%
Total State Aid (FY 95)	\$5,185,881
Savings as a % of State Aid	42%

INTRODUCTION

Bloomfield is a community of approximately 45,000 residents, encompassing 5.32 square miles. According to the 1990 census, 41% of the population is made up of high school or college graduates, and the same percentage is involved in professional, technical and service occupations.

The community is essentially fully developed and is currently involved in major redevelopment initiatives of several former industrial sites in an effort to bring about economic development improvements to the town. From 1983 to 1994, the residential portion of the tax base has increased almost 10.5%, while the industrial and commercial portions have decreased roughly 8%.

Bloomfield is a K - 12 school district serving a student population in the 1994-1995 school year of 5,199. This district operates a central high school, a central middle school, eight K - 6 elementary schools, and one special education school (as of 1995-96). This school district is faced with a considerable number of issues related to the rapidly changing socio-economic status of the community and its impact on the student population. This is evidenced by a relatively high rate of transience, an increasing need for pupil support services, particularly in the areas of basic skills instruction and special education, and a considerable increase in the number of students eligible for free or reduced lunches.

We suggest that the Bloomfield School District may be a district that somehow “falls between the cracks” in existing State aid calculations and is, therefore, the recipient of less aid than may truly be appropriate. The community is not quite considered totally urban, yet it must respond to considerable urban demands. It is not quite suburban, yet it is often held to those standards. It is somewhat unique in its socio-economic make-up when compared not only to districts in similar groupings, but also when compared against its different student populations in the same community. Different sections of the community have vastly different socio-economic characteristics, which makes it a bit unreasonable to categorize the entire community under one set of characteristics. It is also the product of a rapidly changing community that is not reflected accurately in census information because such information has not kept pace with these changes. Though some may not admit to it, Bloomfield is facing significantly different issues and must deal with increasingly complex socio-economic concerns than it did even three to five years ago.

The Comprehensive Educational Improvement and Financing Act of 1996 is designed to address the needs of the non-urban poor and correct the inequities contained in the QEA, which adversely impacted these districts and many suburban districts by focusing only on districts at the socio-economic extremes. Under this act, the Bloomfield School District stands to gain considerably. Based on Department of Education projections, Bloomfield will receive a significant increase in State aid which will need to be phased in by the proposal's stabilization process. The District is projected to receive a 12.6 % increase in 1997-98 and similar increases over the first four to five years of phase in. The programs offered for low income families will consider both district-wide and individual circumstances, which will provide certain individual schools with additional program aid, even though the District as a whole will not qualify.

Historically, the District has experienced a relatively minor turnover rate in teacher and support personnel positions, but has experienced a very high turnover rate in upper management positions, particularly that of the Superintendent. Based on interviews conducted by the Review Team, this turnover has reportedly resulted in a lack of historical perspective and direction for the District, compounded by an atmosphere of mistrust due not to any individual failings but, at least in part, to inconsistent administrative styles. It appears, however, that the subordinate education personnel have developed an ability to provide a quality level of education despite the absence of consistent leadership. Administrative operations historically have not fared as well due to this inconsistent management direction.

While we have made a variety of comments and recommendations in this report to assist the District, we believe, based on our interviews, observations and analyses, that the District, particularly in the past couple of years, is reasonably well managed and continues to focus on providing quality educational services in the most cost efficient manner. Though we have focused on the 1994-95 school year, there have been many improvements implemented since that time that are noted in the applicable sections of this report. We commend the staff for their efforts.

BEST PRACTICES

A very important part of the Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the Review Team cannot site every area of effective effort. The following are those best practices recognized by the Team for their cost and/or service delivery effectiveness. It should be noted that not only are these programs effective and beneficial to the students, but they are offered at a per pupil spending amount which is below the “Thorough and Efficient” (T&E) amount recommended in the Comprehensive Educational Improvement and Financing Act of 1996.

College Credit In The High School Program

Upon examination by college personnel, certain courses offered at the high school have been found to be equivalent to those offered at the college. Through the cooperative efforts of the high school and Bloomfield College, Bloomfield High School students taking any of several courses can receive college credit for those courses. Following successful completion of these courses, students are awarded Bloomfield College transcripts indicating such and, at the student's request, the transcripts are sent to the college(s) of his/her choice.

The instructor teaching the course has been named an adjunct faculty member of the college and the course is supervised by both the high school and the college. High school students enrolled in this “College Credit in the High School Program” are also considered Bloomfield College students. They are issued college identification cards and have full use of the college library. They are also invited to various college academic and social functions. Some high school students taking part in this program have attended the Learning Support Workshop for lessons on speed-reading and/or attended sessions in time management and study skills.

For this program, now in its sixteenth year, each institution to which a student applies sets its own policy for granting transfer credit from Bloomfield College. The application fee of the College is waived, and the course tuition is reduced to \$100. per course. An average of 15 students per year take part in this program.

Parenting Workshops

This program is a series of five workshops following the Systematic Training for Effective Parenting (STEP) method. It is open to all parents of students (K-12) in the District. These workshops focus on such topics as:

- communication and listening skills;
- developing practical discipline methods;
- techniques dealing with conflict resolution and growing independence;

- career aspirations of parents for their children; and
- methods to develop mutual respect, cooperation and self-esteem for all family members.

The guidance counselors are formally trained as facilitators. The program is offered twice per year; once each semester. Participation usually averages about 40 parents of elementary school children and 30 parents of secondary students.

Vocational Education & Special Training (V.E.S.T.)

The Vocational Education and Special Training (V.E.S.T.) Program is characterized by two themes: employability and independence. The ultimate goal is “to develop necessary work skills for successful employment and make these individuals contributing members of society.” The program, housed in the middle school, is for special needs students, ages 13 to 21. Each student has an I.E.P. (Individual Educational Plan) developed according to his/her needs. V.E.S.T. teachers are certified Special Education instructors with additional certificates in agricultural occupations, Administration/Supervision, and Masters degrees in Career Industrial Education for the Handicapped. Staffing consists of four classroom instructors, instructional aides and school aides. The middle school guidance counselors also provide assistance as needed.

V.E.S.T. acts as a liaison between the school and the Division of Vocational Rehabilitation (DVR). An exit plan is developed between parents and staff whereby upon graduation provisions are made for placement of all students into the DVR for further special training and ultimately into the job market.

Academic areas include: Reading, Language Arts, Vocational Reading, Math, Social Studies & Life Skills. Supplemental offerings include: Vocal & Instrumental Music, Regular & Adaptive/Corrective Physical Education, and Speech and Art Therapy. Vocational instruction includes Horticulture, Landscaping, Flower Arranging, Shrink Packaging, Computer Engraving, Injection Molding, Button Making, Filing, Collating and Employment Orientation. Additional services include vocational assessment and cooperative education.

Tech Prep Model (2 + 2)

A curriculum revision initiative, which is a part of the national “School-to-Work” Movement, has been implemented to address the needs of students targeted for educational improvement. The Essex County Health Careers Consortium (ECHCC) established by Bloomfield Public Schools has been awarded a five-year, \$440,000 grant by the New Jersey Department of Education’s School-to-Work Initiative Department. The major goal is to “systematically change the way schools prepare students for work.” A “School-to-Work” Committee, comprised of 22 high school teachers has been working with employers of Bloomfield high school students.

The ECHCC, with Bloomfield as its lead agency, has applied for a competitive grant for \$35,000 and an additional \$150,000 grant to establish a fiber-optic, interactive television (ITV) classroom at the high school. The ITV classroom would link the Consortium members (Bloomfield, East Orange, Glen Ridge and Montclair high schools), as well as the Essex County Technical Careers Center, with the University of Medicine and Dentistry School of Related Health Professions,

Bloomfield College and Essex County College. In addition, hospitals, health care agencies, and selected health care industry representatives would participate in long-distance learning through various information technologies. Once established, use of the ITV is to be expanded to other career areas for School-to-Work students (e.g., law enforcement, office systems technologies, etc.).

It should be noted that Bloomfield's Health Career-to-Work design has been selected for presentation at the National School Boards Association Convention in Orlando, Florida and the National Association of School Administrators Convention in San Diego, California.

Volunteerism

There is a separate Home and School Organization for each school in the District and a central one that represents the entire District and consists of members of the individual school groups. These organizations have been avid supporters of the needs of the schools and have provided considerable financial support, perhaps most evident in the purchase of equipment for the Technology Activity Centers in each school. Financial support provided by these groups frequently lessens the burden on the taxpayers to provide additional resources to the District. The benefits provided by the Home and School organizations are clearly evident in each school and we applaud their efforts.

Though only staffed with a half-time librarian, the elementary libraries still remain open or accessible with teacher supervision all day. This is because each of the schools has between 15 and 20 volunteers who receive library skills orientation and work in the libraries - returning books to shelves, offering assistance to students, etc. These efforts allow the schools to offer services without the burden of staffing costs.

Individual School Highlights

The team was impressed by the special programs developed to meet the unique needs of the students in each school. It is clear that considerable effort has been made by the principals and staff at each school to target programs to assist the particular student body enrolled in that school. These efforts are discussed further in a later section of this report.

OPPORTUNITIES FOR CHANGE/ RECOMMENDATIONS

The purpose of this section of the report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings or enhancements for the school district and its taxpayers.

ADMINISTRATION

Staffing

The District is managed by a Superintendent whose staff includes an Assistant Superintendent, Business Administrator, Assistant Business Administrator, and central office clerical staff. Within the past ten years, the District has employed ten different Superintendents and four different Assistant Superintendents. The Business Administrator's position has been fairly stable, with the only change made last year when a former Assistant Business Administrator returned to the District to fill the Business Administrator's position. The Assistant Business Administrator's position has been filled by three individuals within the past ten years.

The most recent organizational chart dated July 1, 1993, shows the following division of supervision responsibilities:

- Superintendent - Assistant Superintendent, Business Administrator, Principals, and Director of Personnel
- Assistant Superintendent - Director of Special Education, Supervisors
- Business Administrator - Assistant Business Administrator and Director of School Facilities

In light of the significant turnover rate of top management staff in the District, we suggest that a planning committee be established to lend consistency to the direction of the School District. This committee, we believe, should be made up of key management staff, principals, teachers and parents. The goal of this committee would be to set and ensure adherence to a clear direction in such areas as computerization, facility utilization and long-range curriculum planning that would be followed through periods of top management turnover.

There are several areas where opportunities exist for efficiency improvements regarding organization, operations and workload/responsibilities for clerical staff, particularly at the central administration level.

- There is minimal cross-training among the clerical staff to provide for backup, assistance during peak periods, variation in functions, etc. Some of the overtime required (e.g., for curriculum guide updates) would not be necessary if there were cross-training of staff to meet these needs.
- There are presently five confidential secretaries with clearly defined responsibilities and reporting relationships. Pooling of clerical staff does not exist. This seems to promote an unnecessary imbalance of workload among this staff.

- Among the clerical staff, there appears to be confusion as to specific responsibilities, as well as career paths and opportunities.

We suggest that the District review the functions performed by clerical employees to ensure a better alignment of clerical functions and responsibilities, coupled with the pooling of resources. One clerical position could be eliminated realizing a potential savings to the District of at least \$22,750 in salary and benefits.

Cost Savings: \$22,750

DISTRICT COMPARISONS

The Bloomfield School District generally compares favorably to other districts with similar demographics. This is evidenced, at least in part, by the statistics in the following table.

TABLE 1				
BLOOMFIELD TOWNSHIP BOARD OF EDUCATION				
STATISTICAL COMPARISON				
BASED ON NJ SCHOOL REPORT CARDS				
	Bloomfield	Nutley	Union	Bergenfield
Number of Schools - (1994-1995)				
Elementary	8	5	7	5
Middle	1	1	2	1
High	1	1	1	1
Student Enrollment - (1994-1995)	5199	3779	7172	3232
Revenues - (1995-1996)				
Local Taxes	79 %	87 %	76 %	87 %
State	13 %	9 %	16 %	12 %
Federal	2 %	1 %	2 %	1 %
Other	6 %	3 %	6 %	--
Expenditures - (1995-1996)				
Classroom Salaries & Benefits	52 %	51 %	48 %	55 %
Classroom Supplies & Textbooks	1 %	3 %	2 %	1 %
Other Classroom Costs	--	--	--	--
Total Support Services	7 %	8 %	7 %	9 %
Total Administrative Expend	12 %	14 %	11 %	12 %
Total Oper./Maint. & Equip.	12 %	10 %	13 %	11 %
Total Transportation	4 %	2 %	4 %	3 %
Total Tuition	6 %	5 %	8 %	5 %
Total Debt Service	1 %	1 %	2 %	1 %
Other	5 %	6 %	5 %	4 %
Comparative Cost Per Pupil - (1994-1995)	\$6,936	\$7,344	\$6,657	\$8,382
Total Cost Per Pupil - (1994-1995)	\$7,783	\$8,079	\$7,600	\$8,812
Teacher Salaries & Benefits - (1995-1996)	60 %	57 %	58 %	61 %
Administrator Salaries & Benefits - (1995-1996)	11 %	13 %	11 %	12 %
Administrative Personnel - (1994-1995)				
Number of Administrators	29.3	20.3	37.0	23.1
Students per Administrator	172.4 : 1	180.7 : 1	183.6 : 1	134.2 : 1

Faculty/Administrator Ratio - (1994-1995)	13.1 : 1	13.1 : 1	12.7 : 1	11.3 : 1
Median Salary - (1994-1995)				
Faculty	\$49,100	\$54,809	\$46,564	\$61,240
Administrators	\$76,465	\$84,923	\$78,275	\$81,120
Median Years of Experience - (1994-1995)				
Faculty	19	18	15	21
Administrators	25	29	26	27
Passing HSPT (as of Oct., '94) - (1994-1995)				
Reading	88.7 %	93.1 %	83.8 %	90.7 %
Mathematics	87.5 %	94.5 %	88.1 %	92.6 %
Writing	90.9 %	98.6 %	85.6 %	96.6 %
All Sections	76.3 %	88.6 %	73.6 %	86.3 %
High School Graduation - (1995)	97.3 %	102.1 %	99.7 %	90.8 %
Drop Out Rate - (1994-1995)	4.0 %	2.0 %	--	3.0 %
Post Graduation Plans - (Class of 1995)				
4 yr. College/University	47 %	62 %	52 %	65 %
2 yr. College	20 %	25 %	25 %	20 %
Other Post Secondary School	8 %	4 %	12 %	7 %
Military	1 %	2 %	1 %	--
Full-time Employment	5 %	7 %	10 %	8 %
Undecided	19 %	--	--	--
(Note: All school systems are Type II, have DE district factor grouping and are located in Northern NJ)				

PERSONNEL

Staff

According to the District's Report of Certificated Staff, as of October 14, 1995 there were a total of 439 certificated staff members. This included 71 in the District Office, 132 in the High School, 65 in the Middle School, and 162 in the eight elementary schools, and nine in the special education school.

Labor Agreements

There were five collective bargaining agreements in effect during the period of our review which were analyzed. All but one were three year agreements. While there are a few additional cost savings recommendations we would offer for consideration by the Board, we are favorably impressed by the cost savings measures either already applicable to the period under review (1994-95), or scheduled to be instituted in the succeeding year(s). It is clear that the administration has given attention to the development of cost efficient provisions in labor contracts given the current generally accepted labor negotiations climate.

The cost savings measures include:

- Accrual and payment maximums on sick time;
- Appropriate restrictions on use of personal time;
- Reduced vacation time allotments for new hires;
- Increased prescription plan deductibles;

- Provision of district-paid single only health coverage until tenured or specified length of service;
- Requirement for qualification for longevity at certain levels of at least ten years of service in the Bloomfield School District;
- Appropriate reimbursement maximums and accountability requirements for graduate tuition reimbursements.

We understand that there are provisions in contracts to reward attendance which are considered less costly than the actual use of sick or personal time. However, we are concerned with the rollover of personal days into sick time if they are not used during the year and the payment for minimal use of sick time during the year. Personal time and sick time are benefits that should only be used for their intended purposes, when necessary. The Superintendent and Personnel Director have been working to ensure that this time is used appropriately. Attendance incentive measures often serve to reward employees for not abusing a benefit in a current year which then produces a second more expensive benefit in the form of future payments of terminal leave. In the 1994-95 school year, the total terminal leave payment expense was \$31,860.

We commend the District for its cost saving labor contract provisions and encourage future negotiations to further these efforts. In addition, though we fully support the District's efforts at curbing inappropriate use of time, we recommend that the District reconsider its reward system for non-use of sick and personal time as it may be a short-term savings at the expense of the long-term, terminal leave costs. Though there are appropriate cost control mechanisms in place for tuition reimbursement, we suggest that the maximum payment which is tied to the state college graduate rate be specified as the least expensive state college graduate rate in effect at the time of course enrollment. We suggest that the District require documentation as to the benefit to the District for Sabbatical Leave requests. Further, though the incidence of Sabbatical Leave is infrequent, the Board may wish to completely reconsider payment of salary during the leave, as many districts do not pay for such leave, or reduce payment to a low percentage.

Instructional Time

According to the New Jersey School Report Cards, actual instruction time/pupil contact time in Bloomfield is below the state-wide average. The average time in Bloomfield is five hours and 13 minutes and the state-wide average is five hours and 24 minutes. Based on an average teacher salary of \$47,108 for 183 pupil days in the 1994-95 school year, the value of this time is approximately \$612,521 in lost productivity related to pupil contact time for Bloomfield teachers compared to pupil contact time state-wide.

We recommend that future labor negotiation efforts seek to increase the pupil contact time in the Bloomfield School District to comparable state-wide averages. The value of this productivity measure is estimated to be approximately \$612,521.

Productivity Enhancement: \$612,521

Other Cost Saving Measures

The District has also instituted a number of other cost saving practices regarding the administration of its personnel. It was reported to the team that the District rarely hires above the first few steps of the salary scale, which minimizes costs. The District has also changed its in-service meeting time to include curriculum development activities instead of having that done during the summer at a separate cost. Though district officials and teachers would prefer to have smaller class sizes, in some cases, class sizes are higher than preferred in an effort to minimize staff costs and facility requirements.

We are very supportive of the cost saving measures implemented by the District.

Payroll

The payroll function is handled by 1.5 FTE's - one of the two staff members handles personnel/human resources work about 50% of the time. This staff utilizes the AS400 computer system for payroll processing, however, the individual schools submitting payroll information to this office use in-house database systems. This not only creates a duplication of effort in payroll data entry for employees located in the individual schools, but also promotes inconsistency in the way in which leave is recorded. For instance, attendance records for the 1994-95 school year reveal that there are no less than 64 different leave classifications for roughly seven basic types of leave: sick, personal, vacation, bereavement, professional, jury duty, and workers' compensation. The differences in the breakdown of these seven basic types of leave creates the volume and inconsistency of leave classifications.

Payroll processes checks four times per month - twice for regular payroll and twice for overtime, adjustment, stipend, and substitute payments. This separate payroll process is reportedly done at the request of employees wishing to separate their regular pay from any additional pay.

We suggest that the District implement a payroll system that will eliminate inconsistent leave classifications and better coordinate the leave reporting function between the central office and the individual schools. This will eliminate inconsistencies in the systems, decrease the volume of leave classifications and reduce the time spent by central office payroll staff re-entering leave data into the AS400 minicomputer system. A conservative estimate of the time that could be saved is 15%, which would translate into a productivity savings of approximately \$3,430 in costs related to staff time involved.

Productivity Enhancement: \$3,430

Further, though we recognize the desire on the part of the employees to separate their regular pay from their additional pay, we believe it is in the District's best interests to reduce the payroll processing time whenever possible, in this case, to just two times per month total, and suggest that this might save approximately 40% of staff time, or \$12,984 in staff productivity costs. Supplemental pay could be handled along with the regular payroll.

Productivity Enhancement: \$12,984

HEALTH BENEFITS

Coverage

Health benefit coverage is provided by the Board through Blue Cross and Blue Shield of New Jersey. It is provided to all regular employees, except lunch aides and office aides. Instructional aides receive coverage if they work at least 50% of their contracted hours. School physicians do not receive coverage, however, the school dentist does, at a cost of \$2,593.32 per year (based on rates in effect in February, 1996). Retirees reimburse the District for coverage.

We believe that as a non-contractual, non-employee, the Dentist should no longer be eligible for health benefit coverage from the District. This would save the District approximately \$2,593 annually.

Cost Savings: \$2,593

Consultant

Coverage is secured through the District's broker. The District estimates that this consultant has saved more than \$1 million in premiums over an 18 month period by re-evaluating the District's experience and working with Blue Cross and Blue Shield to lower the premiums to reflect that lower experience. There is no contract for this consulting service and no authorizing resolution in place for the 1994-95 school year. The only description of service required is in a resolution passed at the May 10, 1993 School Board meeting. This description identifies the services to be provided as "consultant for the employee benefit program in the areas of cost control, benefits review, premium reviews and claims control for ... basic hospitalization, medical/surgical, prescription and major medical programs ... at a compensation of one percent of premium paid." This does not make sense as written, as there would be no incentive for the consultant to work towards lower premiums if his compensation is based on a percentage of that premium. Further query by the Review Team revealed that the consultant is not, in fact, paid directly by the School Board at the rate of one percent of premium paid, but rather by the insurance company.

While the Team is very supportive of the savings that the consultant has been able to bring to the District, we are concerned about the lack of adequate documentation of the service parameters and requirements. We suggest that the District ensure that there is a current authorizing resolution and contract in effect for the health benefits consultant. The contract should stipulate such items as services required, District recourse for the consultant's failure to provide such services, an accurate description of the payment method for such services, the contract duration, and any other items the Board deems necessary to protect the public's interest.

We further suggest that the District pursue the recommendation made in the Shared Services section of this report regarding the provision of health related services.

Cost Saving Measures

New labor contract provisions described in the earlier section of this report and changes to the benefit offerings, such as the addition of a Health Maintenance Organization, the addition of a Preferred Provider Organization to the dental plan and entry into a special network for

prescription are projected to save the District approximately \$400,000 in the 1996-97 school year, alone.

We are very supportive of the cost saving measures implemented by the District.

FINANCE

Overview

Changes in the District's overall revenues and expenditures between the 1993-94 and 1994-95 school years (Appendix Table 1) were minimal. Revenues for the 1994-95 school year totaled \$39.5 million. This represented an increase of only \$48,694 or one tenth of one percent over 1993-94. However, significant changes did occur within different revenue sources. The local tax levy increased by \$1.6 million or 5.3%. This increase was largely the result of a significant decrease in the 1994-95 school year in "Miscellaneous Revenue" of \$1.4 million due to a one-time \$1 million health insurance refund which had been received in the 1993-94 school year. Similarly, tuition, investment interest and federal funds revenue increased by \$113,218, \$39,620 and \$34,991 respectively, but these were offset by a reduction of \$309,632 in State revenue.

A similar scenario occurred regarding expenditures. Expenditures totaled \$40.0 million in 1994-95, an increase of only \$400,654, or 1.0% over 1993-94. This minor change, however, resulted from significant changes within the expenditure total. Total Salary and Instruction costs increased by \$.5 million, or 2.6%. Larger increases occurred in undistributed costs which increased by \$.9 million or 4.5% over 1994. On the other hand, capital expenditures decreased by nearly \$1 million, due to the completion of a capital project in the Demarest School in 1994.

Surplus

It is important to understand two elements upon which surplus estimates are based. One element is deciding on what amount of surplus should be in the budget. The other element is the District's ability to accurately estimate surplus amounts, thereby ensuring that the surplus amounts agreed to in the budget for the current and proposed budget years are realized as closely as possible.

The District's ability to accurately estimate surplus is a function of its success in controlling its income and expenses. Surpluses or deficits in the budget result from the interaction of revenues and expenses in that year. Therefore, surplus estimates are actually estimates of the final result of that interaction.

There are critical aspects of school district revenues, expenditures, and current year surplus that enable school districts to accurately estimate surpluses. In terms of revenues, when a district prepares the budget it knows fairly precisely the amount of revenue it will receive for the upcoming year. Ninety-eight percent of Bloomfield's revenue comes from the local tax levy and State aid. In the 1993-94 budget, it estimated \$36,843,833 from these two sources and received exactly that amount. In the 1994-95 budget, it estimated \$36,879,803 and received \$36,884,439, or \$4,636 more than it budgeted. We saw the same ability to accurately assess revenues in the other district we analyzed for comparison purposes.

Almost 80% of Bloomfield's expenses are for salaries and benefits. Except during contract renewal periods, salary amounts for all positions in the next budget year are known either through labor agreements or particular position amounts and, therefore, the amount needed can be accounted for fairly precisely. Moreover, these estimates are often higher than that which is ultimately needed because of employee terminations, retirements and resignations. In addition, salary is not paid during the time it takes to fill a vacated position. The non-salary portion of the budget, the remaining 20%, is somewhat more variable, but many of these costs can be accurately predicted if work is done through contracted service or purchase agreements with specific prices or ranges.

Annual budgets are resolved in February or March. This is when the District estimates anticipated surplus in the current year. At that point the District has had eight or nine months experience to estimate expenditures and revenues for the last three months of the year. Again, these estimates should be quite accurate.

The above information indicates that the District can accurately estimate current year surplus in order to make an appropriation in the proposed budget year. The variable decision, however, is the amount of funds that should be left as unreserved, undesignated fund balance. This amount varies according to the number and extent of items in the budget where costs are variable. In education, some of the more variable items are special education costs, enrollment changes, transportation costs, costs related to facility improvements in older buildings that may not have been planned for, and any employee contract costs related to negotiations in progress.

The Board has ended the last two budget years, 1994-95 and 1995-96, with \$1,039,679 and \$547,667, respectively, in the unreserved, undesignated fund balance caused by the difference between the District's estimates and the actual surplus amounts as shown in the audit. There are two main reasons for this:

First, the District inaccurately estimated expenses in those budget years. Appendix Table 2 indicates that in both years, Instruction Expenses were overestimated by an average of 1.6%, or \$286,757. Undistributed expenses were overestimated by an average of 5.1%, or \$1,008,877, and capital expenditures were overestimated by 36.6%, or \$332,231.

The second reason why a higher than expected unreserved, undesignated fund balance occurred was that the District inaccurately estimated the amount of surplus it would have at the end of the 1994-95 and 1995-96 budget years. As shown in Appendix Table 3 these inaccurate estimations resulted in differences between surplus estimates and actual surplus amounts of \$1,039,679 for 1994-95 and \$547,667 for 1995-96. Based on the original surplus amounts the District approved to begin the succeeding budget years with, these difference amounts could have been applied towards further tax relief, spent on much needed capital improvements, or left as surplus, but more accurately portrayed. While both the estimated and actual surplus amounts represent as percentages of the total budget amounts which are certainly within the "appropriate" range of surplus amounts, the extent of the understated surplus amounts is considerable. This does not

allow for a true portrayal of the District's financial status at the time these budgets are approved and brought before the voters. It is obvious, however, that the District has improved significantly upon its estimates in the 1995-96 budget year and we have every reason to expect that this situation will continue to improve once the new procedures and systems recently implemented and discussed below have an opportunity to take effect.

It is clear from our analysis that the District has determined that it can adequately protect itself financially from unexpected and/or emergent situations through continued budgeting of an unreserved, undesignated fund balance of roughly 2%. This 2% is based on their own estimations, which we have discussed above. In actuality, however, they are actually closer to having 3% to 4% of unreserved, undesignated fund balance available due to the discrepancy between the District's estimates and the actual surplus figures as determined in the audit. If the accuracy of the District's estimation of surplus was improved it could still set aside a 2% unreserved, undesignated fund balance, but it would be a higher dollar amount because it would be based on the higher actual surplus amount.

We prepared a similar revenue and expense analysis for a similar Essex County school district that did a better job estimating anticipated surplus. The District is similar in terms of the variable cost factors noted earlier, such as special education considerations and facility age. The average proportions of the last budgets in Bloomfield and the comparison district for special education are 8.2% and 5.2%, respectively. In terms of the age of the buildings, Bloomfield's average is 76.5 years old, and the comparison district's is 74.7 years old. According to the State Department of Education records, the comparison district is also similar to Bloomfield in terms of compliance with financial standards. In 1993-94 and 1994-95, it estimated the unreserved, undesignated fund balance at 1% and the actual amount as defined in the audit was also 1%. This example demonstrates that more precise surplus estimates can be achieved.

The current Bloomfield Business Administrator was not in the District when the two budgets we analyzed were developed. He has implemented new systems and procedures to improve the estimation of surplus, such as new software which provides more timely and accurate salary amounts, new procedures to avoid committing funds in any account that does not have an adequate balance, and the provision of more accurate monitoring of open purchase order encumbrance amounts. With these new systems and procedures, it would be realistic for the District to meet its 2% unreserved, undesignated fund balance estimate.

As was stated earlier, a review of the 1994-95 and 1995-96 budget years indicates the District's unreserved, undesignated fund balance amounts were \$1,039,679 and \$547,667, respectively. We believe the District can and should improve upon the estimation of anticipated surplus. Providing a more accurate estimate in the 1994-95 budget year (the year specifically under review) could have provided the District with over \$1 million in additional funds to put toward tax relief.

The actual improvements in surplus estimates cannot occur until the 1997-98 school year. At that time, the 1995-96 audit will be complete, and the effectiveness of the new systems and procedures to monitor expenditures will be known. This should enable the District to better meet its original,

more precisely figured, surplus estimates. Even with improved surplus estimations, the acceptable level of unreserved, undesignated fund balance will still be a discretionary issue for the Board to resolve.

The information and discussions gathered for this analysis lead us to conclude that the District could have reduced its tax levy, provided greater funding for capital improvements, or more accurately depicted its total surplus by more than \$1 million based on the unreserved, undesignated fund balance amount in the 1994-95 school year. Even if only half of that amount were applied towards tax relief, the District would have realized an additional \$500,000 in revenue. Realistically, improved surplus estimates in the 1995-96 and 1996-97 budget years may vary this amount considerably.

Revenue Enhancement: \$500,000 (one time)

Cash Management

This report focuses on the school year 1994-1995. Unfortunately, we believe that the District's cash management practices during that period, as well as prior to that period, were in need of considerable improvement. However, the current Business Administrator has dramatically improved the District's cash management practices. We have noted these improvements, where applicable.

The District maintains both short and long term funds. In 1994-1995, the School District maintained an average balance of \$4.5 million in operating funds and \$2.2 million in long term Certificates of Deposit (CDs).

In the period reviewed, the Business Administrator did not seek competitive rates or services from various banks for the District's banking business. Indeed, the District has been with the same bank for over 20 years. We believe this lack of competition is a major reason for the District's previous poor cash management practices as outlined below.

The District maintained operating balances well in excess of the amount required to pay for bank services. Bank records indicate that the District could have increased its yearly interest earnings by approximately \$200,000 if it had properly managed these balances.

The District's records on Certificates of Deposits were available for only seven months of the 1994-1995 school year. An analysis of the interest earned indicates that the District could have gained approximately \$6,000 more in yearly interest earnings if it would have invested in the State's Cash Management Fund or other higher interest bearing accounts.

In October, 1995 the school board implemented dramatically improved cash management practices. These improvements include a sweep account and on-line monitoring of bank balances which has enabled larger amounts to be invested into longer term (and higher interest rate) instruments. We estimate that these changes will begin earning the School District approximately \$200,000 more in interest earnings, even without utilization of our recommendation to consider using the State's Cash Management Fund.

We suggest that the District solicit competitive banking services in order to ensure a market rate for its business and investments. The District could conceivably do even better in its long term rate, since currently, the District's bank rate is slightly lower (40 basis points) than the State's Cash Management Fund. If the School District would invest its long term funds in the State Cash Management Fund, or another fund paying similar interest, another \$6,000 in interest could be earned.

Revenue Enhancement: \$6,000 from increased earning potential

Purchasing/Supply Storage

Supply purchases are centralized, but storage is not. There are three district-wide orders per year. Each building and/or office stores its own supplies. Since inventories are not maintained, many supplies reportedly end up not being used and sit idle in closets.

Educational Data Services, Inc. serves as a contracting agent which provides some purchasing services. They receive Bloomfield's supply requests and bid them, along with other districts' to obtain bulk purchasing rates. The Bloomfield Business Office then enters the data into the computer and mails vouchers to the companies with copies to the schools. Supplies are shipped directly to individual schools. In exchange for purchasing supplies in this manner, the District gets a discount price, which in some cases is 42% off the list price. Educational Data Services, Inc. receives \$11,000 as an administrative fee.

We suggest that a study be conducted as to the feasibility and benefits of maintaining a centralized warehouse for storage of all district supplies and for maintaining district-wide supply inventories. Consideration should be given to using facilities which are presently being either underutilized or not used at all; e.g. part of the Forest Glen School.

BUSINESS FUNCTION COMPUTERIZATION

Staffing

The District's data processing function is coordinated on a half-time basis by the Assistant Business Administrator who has worked in the District for approximately four years.

In addition to the Assistant Business Administrator, the equivalent of about five other people work in data processing. One person does data entry review and input in the Business Office. The middle school and the high school each have one full-time person, and there is one technician who works in both schools. Secretaries in each of the grade schools are involved in data processing work, which includes filling out forms, reviewing output reports, etc. The Assistant Business Administrator estimates about 10% of one secretary's time in each of the ten schools is required for data processing.

The District spends approximately \$175,000 per year in computer related equipment, supplies, and salaries for the Assistant Business Administrator and one full-time data entry person in the Business Office. This does not include salary expenses for the other personnel.

Given the scope of work related to the data processing function, it appears to the Review Team that the District may benefit from a review of the staffing of the data processing function. For the most part, computer work seems to have been taken on by individuals who already had or were able to learn the necessary skills, but were responsible for other tasks. This does not necessarily allow for adequate attention to trouble-shooting and training needs. As an integral part of the recommended data processing plan mentioned below, we believe that more attention could be paid to the appropriate staffing required for coordination of the data processing function.

Hardware/Software

The District uses DOS-based systems to meet almost all of its business function data processing needs. Recently, the District added a MAC-based system for senior management.

There are four elements to the DOS-based system. The major one is the district-wide minicomputer that runs both student data and business applications. The minicomputer was purchased two years ago at a cost of \$250,000, including software, training and two years of maintenance. According to the Assistant Business Administrator, who serves as the data processing coordinator, the minicomputer has unified the various data functions that previously operated separately. For example, instead of school notices being mailed for each child, family labels are used so only one notice is sent per family. The new minicomputer enabled elementary and middle schools to have direct access to student data such as attendance, grades and schedules. The high school and middle school counselors have direct access to student data which is useful in counseling students or meeting with parents. There is now also district-wide use of E-mail. Backup tapes are made every evening and off-site storage occurs regularly.

It is important to note that the minicomputer is about 30%-50% larger than the District currently needs, or is projected to need. It was originally purchased with the idea of sharing it with the municipality, however, the municipality decided to purchase its own system after the District already made the purchase.

Another component of the data processing system is personal computer (PC) based word-processing. Last year, the District upgraded to a commercially available Windows' product. There are 50 licensed locations within the District at an annual cost of \$100 each.

PC-based databases are also used throughout the District to track staff attendance. A commercially available product is used. There are 12 sites licensed at an annual cost of \$130 each.

The fourth component is a PC-based program to manage the District's building maintenance function. It is used to produce and track work orders and charge maintenance staff time to specific projects and job functions. The hardware and software were purchased approximately one year ago for \$4,000.

A new addition to meeting the District's data processing system is a MAC-based system for senior management. The District purchased PCs, with emulation cards, and a printer for 17 top management staff, including the Superintendent, the Business Administrator, Assistant Business Administrator, four supervisors, and ten Principals. Three of these management staff have both the DOS and MAC systems.

The cost to purchase the MAC equipment was about \$4,000 each for a total of \$78,000. No licensing fees are paid currently, however, future licensing costs will be \$120 each.

Planning And Management

In our opinion, though the main pieces are in place, the District has not made a consistent commitment to planned, effectively managed data processing. The District lacks clear goals or a formalized plan for its data processing function. Also, a determination should be made as to the ability of a data processing coordinator to effectively handle this function on a half-time basis.

Effective data processing planning, management and usage is critical in a district this size because of the extent and varied nature of its data processing needs, the availability of new technology, and the need to use resources efficiently. For example, in addition to business data such as budgets, payroll, and purchasing, the Superintendent, principals and supervisors need access to such data as teacher evaluations, school calendars and schedules, and student, teacher and support staff attendance. Some functions have data processing needs which may cut across all areas, while other functions may be more unique, such as grants and special education. Recently, the District completed an "end user survey" that could be a starting point for developing a plan to address district-wide, as well as individual departmental or program needs.

A management plan would provide direction for the District and establish clear priorities to enable the District to be more effective and efficient in using and allocating its computer resources. Several examples illustrate this need:

- First, the Team notes several areas in this report where operating functions could be improved with automation. These areas include payroll data entry, school nurse recordkeeping and computerized routing of school bus transportation.
- Second, though some effort has been made by the Assistant Business Administrator to sell space to other users, the District has no defined strategy for use of the excess space on its minicomputer.
- The third example involves the MAC-based system. The MACs were reportedly purchased to provide greater flexibility to management staff than is reportedly available using AS400 software. The District is currently investigating other software for the AS400 that should solve the access and inconsistency difficulties currently experienced by district staff. A concern expressed, however, is that some of the work done by management on the MAC computer is often re-done by secretarial staff on a DOS computer because it is not coordinated between the two systems. This creates an unnecessary redundancy of effort.

We recommend that the District systematically assess its data processing needs, including staff resources required to properly manage this function. Formalized plans to meet these needs would provide consistency over time despite any changes in top management.

Though we believe that appropriate changes in software for the AS400 could have solved many of the problems experienced without the need for a MAC-based system, the goal now should be on providing adequate training to all appropriate staff on the skills needed to coordinate the MAC- and DOS-based systems. It does not appear to the Team that this coordination is effectively occurring.

INSURANCE

Coverages

The School District maintains various types of insurance, including property insurance, boiler and machinery coverage, umbrella liability, workers' compensation, public officials bonding and sports insurance at a cost of approximately \$600,000 per year in insurance premiums. Slightly more than one-half (52%) of the premium cost provides insurance for property, boiler and machinery and umbrella liability coverage. Another major portion (43%) of the premium goes for workers' compensation coverage, and the premium for sports insurance accounts for 5% of the premium dollar.

Our review of the 1994-95 school year indicates that the District's insurance premium could be reduced significantly if it kept a current property inventory on which to base its insurance coverage and used competition to lower costs. The District initiated a study to update its property inventory before our review began, but we suggested that this updated information be used to more accurately determine appropriate premiums.

The School District was overinsured by at least \$47 million. This occurred because the District had not accurately updated its property inventory since 1982. Instead, it simply increased coverage each year by 5 - 10%. The District initiated a new inventory in 1995 and found it was significantly overinsured. In addition, the District had excessive boiler and machinery coverage which the team identified. This too was also recently corrected. As a result of these changes, the District's annual premium will be reduced by more than \$54,000. Initial estimates made prior to our review of these coverages were for a \$30,000 dollar reduction, or approximately \$24,000 less than will now be realized by the District.

The Business Administrator has already implemented our recommendation to introduce competition into the process and it has decreased student insurance premiums by \$17,000, or 48% less than was originally proposed by the company without the introduction of competition.

The District should routinely update its property inventory so that the insured value accurately reflects current replacement costs and should continue using competitive proposals to select insurance companies. These proposals should clearly state insurance

requirements and ensure that vendors meet appropriate professional and financial standards.

Broker Services

The District uses an insurance broker to negotiate with and select insurance companies to provide district coverage. However, there is no formal contract in place for such services.

We commend the District for its recent premium reduction efforts, but suggest that the District ensure that there is a current authorizing resolution and contract in effect for the consultant. The contract should stipulate such items as services required, the contract duration, and any other items the Board deems necessary to protect the public's interest.

LEGAL

General

There is no contract for legal services in place, however, there is a resolution authorizing appointment of the Board Attorney for the School Year 1995-96. There was no such resolution for the 1994-95 school year. The resolution states the duration of the service period, the amount to be paid in terms of an annual retainer and hourly rates for "legal matters" and "negotiations matters." There is, however, no description of the types of items that will be covered under the retainers, "legal matters," or "negotiations matters." There is also no mention of the method of payment, District recourse for failure by the firm to provide such services, or a "not to exceed" amount for services.

In the 1994-95 school year, legal services were provided in a number of areas, including labor negotiations, policy development, and salary scale development. While there is certainly good reason to secure legal consultation for certain stages of these matters, it is not necessary to have legal professionals involved in every stage from development to implementation. The District employs competent and able professional staff, capable of developing policies and salary scales without legal assistance until, perhaps, the final review stage of policy development. As of the 1995-96 school year, the District has reportedly begun to rely on its in-house professional staff to a greater extent for these matters.

The District should ensure that there is a current authorizing resolution and contract in effect for the legal firm. The contract should stipulate such items as services required, district recourse for the firm's failure to provide such services, an accurate description of the payment method and amount for such services, the contract duration, and any other items the Board deems necessary to protect the public's interest.

Regardless of the firm used, the District should also review its actual need for legal consultation in the development of policies and salary scales. We suggest that the District may be able to save on legal costs by more adequately utilizing its in-house professional staff for such development, thereby saving its use of legal consultants for review of policies.

Cost

The cost of legal services is often a matter of debate for all public officials. The Bloomfield School District is no different. The Review Team heard many concerns expressed during the course of our interviews and fieldwork. The Review Team compared Bloomfield's legal costs to those of nearby districts with similar DFG and size characteristics. Undoubtedly, Bloomfield's legal costs are considerably higher than those reviewed; at \$183,300 for the last two school years as compared to a low of \$4,612 and a high of \$89,515 for the 1993-94 school year and a low of \$9,161 and a high of \$103,629 for the 1994-95 school year in other districts. The reason cited most frequently by Board officials for the cost of legal services was the cost of special education litigation.

The Business Administrator was asked to analyze the legal bills beginning in December, 1994, to identify the areas of greatest cost. The analysis was not decisive, however, because it was begun by the previous Business Administrator and continued by the current Business Administrator, each of whom had his own methods for categorizing costs. The current Business Administrator has prepared an analysis for the 1995-96 school year. In addition, the initial analysis only covered a nine month period and not a full year. The Review Team reviewed this analysis and found that, indeed, special education related charges accounted for a significant portion of the total bills in at least four of the nine months analyzed. However, even for these months, special education charges did not account for over 50% of the bills except in two cases. The average of the other bills was approximately 15% for special education related matters. While we recognize that there are many variables that may affect the cost of legal services in any given year, and that an analysis of the remaining months may have provided greater evidence of the legal costs related to special education matters, it is not apparent that special education litigation is the greatest contributor to the cost of legal services in the Bloomfield School District. The analysis of the 1995-96 school year attributed just over 13% of the legal costs to special education related matters.

The Team recommends, particularly in light of the considerable debate that surrounds the cost of legal services, two actions for the District to more accurately determine the appropriate level of legal costs for the District. First, a thorough analysis of legal bills should be done on a consistent basis for at least one additional school year. This analysis should categorize the costs by at least four criteria: special education, general personnel matters, labor negotiations, and general business matters. This will give the District a truer picture of the basis behind the cost of legal services. Second, we suggest that the District prepare a detailed Request for Proposals for legal services to determine the "market price" for these services. Though the quality of legal services is of greater importance than the cost, there is still a "market" of qualified, competent legal firms that could be contacted and asked to provide proposals for services to Bloomfield.

SPECIAL EDUCATION

General

The Bloomfield School System had, in its Special Education (SE) Program, 865 classified students (including 210 students who are classified for Speech only). Excluding Speech, of the

remaining 655 students, 581 were educated within the District (137 in self-contained classes, and the remaining 444 in resource rooms.) The other 74 SE students were sent out-of-district to both public and private educational centers. The distribution of out-of-district students is as follows:

- 49 to private day schools
- 7 to the Bergen County Special Services School District (BCSSSD)
- 6 to regional day schools
- 3 to out-of-district public school districts
- 1 to a day training center
- 8 to State facilities

Students are sent out-of-district, usually due to the extent or nature of the disability and/or the fact that parents are “partners” by law in the placement process and request such placement. The Local Government Budget Review Team recognizes and supports the concept of parent involvement in all aspects of the education of their children and in the provisions of due process. However, the current system too easily results in high cost placements due to the difference between the parents’ choice and District’s choice for school placement of their special education classified child. Often, the parents’ school of choice is a private school with much higher costs than the District’s classes or other public school classes that service the child’s particular educational handicap. These sites are in many cases more remote than comparable public classes resulting in greater transportation costs as well.

Comparison of Bloomfield to the other similar districts used throughout our review, namely Nutley, Union and Bergenfield, shows that there has been greater growth in special education classifications in Bloomfield from 1990 - 1995, though not necessarily by a considerable amount. For instance, the Bloomfield School District has experienced a 2.5% growth in classifications during this period, while the Nutley and Bergenfield school districts have experienced a 1.5% growth and Union has experienced a .2% growth. The total percentage of classifications is somewhat greater in Bloomfield (15.67%), than in Nutley (12.4%), Union (14.5%) or Bergenfield (13.5%).

Cost

The average overall cost-per-pupil for out-of-district SE students is \$30,524. The in-district overall cost-per-pupil (Pre-K to 12) is \$7,783.

TABLE 2				
COST-PER-PUPIL				
OUT-OF-DISTRICT SPECIAL EDUCATION STUDENTS				
School Type	Number of Students	Tuition Per Pupil	Transportation Per Pupil	Total Cost Per Pupil
PRIVATE	49	\$29,484	\$4,344	\$33,828
BCSSSD	7	\$17,511	\$4,344	\$21,855

REGIONAL DAY	6	\$28,000	\$4,344	\$32,344
PUBLIC DAY	3	\$18,000	\$4,344	\$22,344
TRAINING	1	\$32,000	\$4,344	\$36,344
STATE FACILITY	8	\$18,849	None	\$18,849

As shown above in Table #2, the cost-per-pupil for the seven students enrolled in the Bergen County Special Services School District (BCSSSD) is \$17,511 and the average cost-per-pupil for the three students enrolled in other public school districts is \$18,000. These amounts are significantly lower than out-of-district SE students placed elsewhere, but still higher than the overall Bloomfield cost-per-pupil (\$7,783).

The 49 private school placements make up the greatest number of out-of-district special education students. They are currently enrolled in 22 different schools in ten counties, and include 11 separate classifications. Five of these classifications are currently accommodated in the District's self-contained classrooms. Forty of these private out-of-district special education students fall under these five classifications.

Some effort is being made at this time to provide in-district placement of SE students. Yearly assessments are made of the SE population. In fact, the District's decision to re-open Forest Glen, a former elementary school, as a special education secondary school is expected to save the District \$331,484 in the 1996-97 school year. This savings represents the difference between the cost had the school not been available and Bloomfield students were to be sent out-of-district and no tuition being received from other districts (\$914,301), and the net cost of providing this education in-district (\$582,817).

Through contracting conducted by the Essex County Educational Services Commission (ECESC) Bloomfield shares busing services with other area districts for all of its out-of-district SE student transportation services. In-district Special Education transportation services are provided by Bloomfield.

The Bloomfield School District maintains 19 self-contained SE classes, including two half-day pre-school handicapped (PSH) classes. They are distributed among eight school sites and provide instruction for 137 SE students. Mainstreaming of the SE students into regular classrooms is done when and where appropriate. In fact, the most recent State monitoring report cited this district as providing SE students with a "least restricting" learning environment as well as a "full continuum of services."

There are 26 SE students from other districts attending classes in the Bloomfield School District on a tuition basis. The average tuition is \$11,500.

TABLE 3				
TUITION STUDENTS ATTENDING BLOOMFIELD TOWNSHIP SCHOOL DISTRICT (1994-95)				
Type	Age Range	# of Students	Tuition	Total Revenue
EMR	14-21	25	\$11,500	\$287,500
EMR	9	1	\$11,500	\$ 11,500
Totals		26		\$299,000

Total tuition received over the past three years is as follows: \$319,915 in 1993-94, \$433,133 in 1994-95, and \$513,000 in 1995-96. Tuition calculations based on actual audited costs at the end of each year have reduced the tuition amount from \$13,000 to \$11,500. This will result in a portion of the revenue received in the last two years being returned to the sending districts.

In an effort to help the Bloomfield School District identify ways to control costs for self-contained SE classes, the Review Team compared the allowable classroom capacity per type of impairment with actual classroom capacity in the district. As shown in Table #4 below, the Review Team found that a maximum of 64 additional SE students could be educated within the District without hiring any additional teachers or aides.

TABLE 4						
BLOOMFIELD PUBLIC SCHOOLS SELF-CONTAINED CLASSROOMS						
Class Type	School	Age Range	Aide	Number of Students	Class Capacity	Available Space
PSH	Oak View	3- 5	yes(2)	10	11	1
PSH	Oak View	3- 5	yes(2)	10	11	1
NI	Demarest	5- 9	yes	8	11	3
NI	Berkeley	6- 8	yes	6	11	5
NI	Berkeley	8-10	yes	10	11	1
NI	Demarest	8-10	yes	9	11	2
NI	Berkeley	8-12	yes	10	11	1
NI	Demarest	9-12	yes	8	11	3
NI	Watsessing	9-12	yes	10	11	1
EMR	Oak View	5- 9	yes	6	16	10
EMR	Middle	12-16	yes	14	16	2
EM	Middle	15-18	yes	16	16	0
EM	Middle	18-21	yes	11	16	5
ED	Forest Glen		yes	8	11	3
ED	Forest Glen		yes	8	11	3
ED	Forest Glen		yes	6	11	5
ED	Forest Glen		yes	6	11	5

MHO	Fairview	5- 9	yes	5	11	6
MH	Carteret	7-11	yes	4	11	7
				Total		64

The Review Team recognizes that differences in age grouping or other legitimate circumstances may preclude the District from filling every SE classroom to capacity or that special situations may exist as a result of analysis completed by the Child Study Teams (CST's) or parental involvement. The team also realizes that "allowable capacity" means "maximum" number of students, not "recommended" number of students. However, it is imperative that the District continue to carefully scrutinize this matter every year and be certain that resources within the District are utilized to the fullest extent possible before commitments are made to outside educational centers resulting in major tuition and transportation expenses. We are also supportive of the District taking a strong stance on its ability to educate its special education population in-district when faced with parental pressure to educate this population elsewhere at a much greater cost. If only one-quarter of the 40 SE students currently sent out-of-district in private placements with classifications similar to those already accommodated in-district were brought back in-district, savings for the Bloomfield School District could total about \$338,280.

Cost Savings: \$338,280

Should there be any future construction of educational facilities in the Bloomfield School District, it should include plans for returning as many out-of-district SE students back to in-district self-contained classes as is deemed reasonable.

In addition, the District may wish to consider filling appropriate classroom spaces with Special Education students from other districts on a tuition basis. At the average tuition rate of \$11,500, and assuming a conservative estimate of 25% of the 64 available spaces being filled in this manner, the District could realize approximately \$184,000 in additional revenue.

Revenue Enhancement: \$184,000

Child Study Teams (CST's)

There are five child study teams (CST's) in the Bloomfield School District. Each team consists of a psychologist, a social worker, and a Learning Disabilities Teacher-Consultant. There are presently 2.5 secretaries to service all five CST's. One team handles the high school, one handles the middle school and Brookdale Elementary School, and the other three teams handle Forest Glen and the remaining elementary schools.

There is an Intervention Resource Committee whose goal is to divert children from classification through the development of intervention programs. A significant amount of time is spent by CST members attempting to avoid unnecessary classification of students by "documentation intervention." This term refers to CST members observing student performance and behavior in the classroom and suggesting alternative teaching techniques, instead of making automatic classifications.

CST Evaluation Logs for the 1994-95 school year reflect approximately 860 annual Individual Education Plans (IEP's) along with total case management functions, such as work-ups, learning assessments, psychologicals and social assessments. Table 5 shows referral and classification information for the 1993-94 and 1994-95 school years.

TABLE 5 - REFERRAL & CLASSIFICATION STATISTICS

	<u>1993-94</u>	<u>1994-95</u>
Referrals to CST's	121	114
Classifications	97	110
Re-evaluations	231	223
De-classifications	2	0

Transience

The transience rate in this school system is significantly high (22.5 %) as compared to most other districts in the State. Many students entering the system each year are either classified or are found to have special needs which often lead to classification. Therefore, it is prudent to maintain some room for growth in the Special Education classes where and when possible.

In an average year, the number of incoming SE students (approximately 90) is, for the most part, close to the number of SE students leaving the school system. Even though this transience does not pose significant additional costs to the District, the volume of work required of CST's is significantly affected. Though the caseloads remain pretty much the same, the composition of these loads is constantly changing.

There is also a high degree of transience within the LEP (Limited English Proficiency) population in the Bloomfield District. For example, in the 1993-94 school year, the ESL student population went from 173 to 210. In the 1994-95 school year, the number decreased to 177.

BASIC SKILLS

It is clear that over the past several years Basic Skills (BSIP) staffing has not kept up with the growing number of Basic Skills students. In the past five years, there has been a 200% increase in the total number of Basic Skills students. The number of students per teacher has gone from 38 to 100 during this time period due to the lack of an increase in staffing. Presently there are 516 students receiving Basic Skills instruction in reading, 377 in writing and 516 in mathematics. Staffing for the entire district consists of 12 teachers, 1.5 administrators and one clerical. Next year there will be only one administrator, as the .5 administrator will return to the classroom to provide basic skills instruction.

The increase in the number of BSIP students has resulted in the reduction of instruction time for the students and the increase in class sizes from two - three students to six - seven students. The District plans, however, to hire four new instructional aides for the 1996-97 year. This will provide some in-class assistance for students and some pull-out instruction for individual and small group attention.

BSIP services to non-public schools are provided by third party contract with the Essex County Educational Services Commission. There are other opportunities for the provision of these services, both for non-public and public schools.

The District could competitively contract for these services from a State approved clinic or agency and/or the ECESC could provide these services to the public schools, as well. We recommend that the District at least explore these other possibilities for the provision of these Basic Skills program services to determine whether or not there may be some cost savings available through these means.

ENGLISH AS A SECOND LANGUAGE (ESL) PROGRAM/ BILINGUAL EDUCATION

As of March, 1996, the Bloomfield School District had 177 students in its “pull-out” English as a Second Language Program: 40% speaking Spanish, 18% Russian, 7% Gujarati, 6% Polish, 5% Korean and 24% other (consisting of ten or more different languages.) There are no self-contained bilingual classes. The ESL students attended the following schools:

Berkeley Elementary -	34 students
Brookdale Elementary-	11 students
Carteret Elementary -	21 students
Oak View Elementary -	38 students
Bloomfield Middle School-	22 students
Bloomfield High School-	51 students

During the 1994-95 and 1995-96 school years, there was no ESL instruction in the Demarest, Fairview and Watsessing Elementary Schools, nor the Forest Glen School. ESL students who would normally attend these schools were bused to one of those elementary schools where ESL instruction was offered. In the case of Forest Glen, students were bused to the high school for one to two periods of ESL instruction per day.

Beginning in September, 1996, however, all elementary ESL students will be instructed in their respective “neighborhood” schools. This will realize a savings to the School District of approximately \$60,000, which is the amount presently being spent to bus 35 of the ESL students daily.

The school system employs five full-time ESL instructors with no instructional aides. Each of these teachers instructs between 25 and 35 students for varying time periods during the course of the school day. An ESL student receives between 40 minutes and 80 minutes of ESL instruction daily, depending on individual need. The middle school has one full-time ESL teacher for 22 students. The high school has one full-time ESL teacher and another full-time ESL teacher who spends two periods per day to address the needs of 51 ESL students.

There are no “ESL” Basic Skills or “ESL” Special Education teachers in this district. ESL students who are classified under Special Education categories or qualify for Basic Skills instruction receive instruction which is the product of the joint efforts of the appropriate teachers; i.e., Basic Skills, Special Education and ESL.

Testing is used for enrollment of students into the ESL Program and it usually takes between one and 1.5 years for students to “test out” of the program, though State statute permits participation in the program for up to three years. Graduating from Bloomfield’s ESL program into regular classroom instruction can require any combination of several factors: passing one of two English Proficiency Tests; namely the Maculitus Standardized Test or the Language Assessment Battery (LAB), receiving passing grades, maintaining certain functional levels; e.g., passing standardized tests in English, or reaching the required reading level in English, and teachers’ judgment.

The Bloomfield School District seems to be cognizant of and receptive to the needs of students in the ESL Program and provides adequate financial support to the program.

As opposed to a “pull-out” ESL program, N.J.S.A. 18:35-18 mandates that a separate bilingual program be provided when there are twenty or more students who speak the same language in the District. There are approximately 70 Spanish speaking students, 34 of whom range in age from six to nine in this school district. Accordingly, a bilingual class for Grades 1/2 should be created and housed in one of the elementary schools for these students. This would require busing services; perhaps picking up students at the “neighborhood school” they would normally be assigned to, bringing them to the Bilingual Program site, and returning them to their neighborhood schools at the closing of each school day.

There is a growing number of bilingual students of varying ages and grade levels speaking a wide range of languages other than Spanish. Aside from the Spanish speaking student population, there are 107 other bilingual students speaking an additional 15 languages. This problem is compounded by the transience rate existent in the Bloomfield School District, which makes it very difficult to adequately plan for a bilingual program. From September, 1995 to February, 1996, twenty-two students moved into the Bloomfield School District from other countries while another 101 moved out of the District.

There are not enough students speaking any of the other 15 languages to warrant creating separate bilingual classes. This problem is compounded by the fact that, an increasing number of students from foreign countries are arriving with varying amounts of formal education, if any; e.g., teenagers with a total of one to two years of education. It is most likely that other communities in the Greater Bloomfield area are experiencing similar problems.

The Review Team offers several options regarding the provision of bilingual and ESL services for the District’s consideration. The first is to seek a waiver from the Department of Education. The District appears to be effectively meeting the needs of the bilingual students without separate classes and should seek permission to continue to do so to avoid the additional, unnecessary cost of separate classes. A second option is to look into creating a cooperative foreign language bilingual program with neighboring districts that have

groups of students speaking the same languages. The cooperating districts would be able to share the costs of administering the program. If Bloomfield needs to bus students to another district for this program, it may be possible to send those students on existing Special Education bus routes, if the locations are compatible. It is also possible that the teacher could travel to each district with appropriate class size, to minimize or negate student transportation costs.

Related to this option is a recommendation that the District request that the Essex County Educational Services Commission consider establishing a county-wide or regional consortium of schools to establish bilingual classes for those languages with lower enrollments in individual school districts. Identifying the needs of the school districts and establishing those regional bilingual classes deemed necessary would be a county responsibility pursued collectively by school districts. Centralized sites in existing facilities of the districts involved could be established along with shared transportation expenses. Students should remain in these regional classes only until they have mastered the English language well enough to be able to function in regular and/or ESL classes in their home districts.

A similar county-wide or regional program could be established to address foreign students arriving in school districts like Bloomfield with minimal or no education - students who are several years behind their peers in general literacy.

Another option is for the District to seek out and hire bilingual teacher aides, as opposed to regular aides; calling on, in particular, bilingual people with knowledge in secondary education disciplines; e.g., history, math and science.

Further, Bloomfield could consider establishing (space permitting) bilingual classes which would accept students from other area districts on a tuition-paying basis.

GUIDANCE & COUNSELING PROGRAM

Staffing

The head of the Guidance Department is the Supervisor of Student Personnel Services. Under this supervisor is the District Career Coordinator who specializes in grant writing/project direction. In the 1995-1996 school year, \$382,715 was received in grant moneys through three separate grants. In the 1994-1995 school year, \$200,000 was received in grant moneys through four separate grants. The types of grants awarded include: School to Work Initiatives and two for Classroom Connections to the Future (ITV).

Other functions of the District Career Coordinator include student job placement for part-time and seasonal work (75-125 per year), curriculum initiatives, which involve adapting core subjects to "Career Path" students, technical preparation, school-to-work program operations, youth transition, and apprenticeships. This individual is also the Cooperative Education Program Coordinator for about 80 students. The focal point of this program is to prepare students for

careers in health, business, home economics and technology. This individual is also involved with the Career Advisory Counsel, and he functions as the Military Recruitment Coordinator (working with about 15 students annually).

This department has three secretaries, six regular high school counselors, one counselor for high school special education, and one high school crisis counselor (crisis counseling only). Department staff also includes one substance abuse counselor, three middle school counselors, one middle school crisis counselor, and four elementary school counselors.

Workload

The predominant function of the guidance counselors at the elementary, middle and high school levels is individual counseling, which depending on the grade level, ranges from 35 - 60% of the counselors' workload. Group counseling amounts to approximately 25% of the counselors' workload and the rest of the time is utilized for parent contacts, faculty contact and individual programs and projects related to the school in which the counselors work.

The middle school crisis counselor had 128 referrals for the 1994-95 school year and 180 for the 1995-96 school year. In the high school, there were 318 crisis referrals for the 1994-95 school year, and 340 for the 1995-96 school year. The most common causes of crisis referrals are suicidal ideation and family dysfunction.

High school counseling caseloads average 250 students, reportedly with an average of three to six contacts with each student per year. The District anticipates caseloads of greater than 300 by next year due to a decrease in staff through attrition. Middle school counseling caseloads average 280 students. Elementary school counseling caseloads average 700 students - two elementary schools for each counselor. The New Jersey Model of Developmental and Comprehensive Guidance and Counseling Association recommends a 1:200 Counselor:Student ratio for high schools, but is not specific for other grade levels. The American Association of Guidance Counselors recommends a 1:300 ratio for high school counselors and the new T & E standards issued by the Department of Education recommend a 1:225 ratio.

Developmental and Comprehensive Guidance and Counseling Program Description

The Developmental and Comprehensive Guidance and Counseling Program (D & C Program) is different from the traditional, reactive and crisis-driven counseling services found in many school systems. For example,

- the D & C Program is carefully planned, coordinated and sequentially age appropriate (K-12);
- it is not considered to be an ancillary service;
- reactive counseling services only reach 10-20% of the students, whereas the D & C Program is both interventive and preventive and reaches 100% of the K-12 student population; and
- the D & C Program of Preventive and Intervention Activities is designed to: teach personal and social skills, assist with individual problems, facilitate small group interaction, immediately address any crisis, include parental involvement, and develop and implement personal and career aspirations.

The D & C Program in Bloomfield is comprehensive and developmental. It is comprehensive because it includes all of the components: classroom, individual and group counseling, crisis services, college and career planning and implementation, community involvement and a parenting component. It is developmental in that all of the competencies are addressed at each grade level in the depth that is appropriate for that age and grade level.

On-going high school guidance logs are maintained (manually) regarding the grade level of the student, referral source (parent, self, staff), referral issue (suicidal, physical/sexual abuse, divorce, behavior, death, peer conflict), and other relevant issues.

We suggest that the Career Coordinator take on responsibility for a number of the special programs now undertaken by guidance counselors, particularly at the elementary school level. This would free up the actual counselors' time for more direct student contact.

ATHLETICS

The Bloomfield High School Athletic Program consists of 15 individual interscholastic sports; most of which are broken down into Junior Varsity and Varsity levels. Several of the sports also have freshman teams. Participation in each of the sports has "peaks and valleys" and as a result, sports are discontinued and/or reinstated into the athletic program to reflect this demand. For example, the following sports were added or reinstated for the 1995-1996 school year: JV Cheerleading, Freshman Girls' Volleyball, Sophomore Football and Boys' and Girls' Winter Track.

For school year 1994-1995 a total of 579 students (374 males and 205 females) participated in various sports. This was approximately 40% of the high school student body. Coaching staff consisted of 17 head coaches, 24 assistant coaches and 3 volunteers.

Equipment is purchased as needed, through Educational Data Services, Inc., which provides bulk purchasing rates. Booster Clubs are involved in fund raising activities for a variety of athletic program needs, including some equipment purchases.

Out of 85 high school seniors who participated in varsity level sports during the 1994-1995 school year, 81 of these students went on to college. Typically about 90% of the varsity athletes graduating from Bloomfield High School go on to college.

Intramural sports are offered at the elementary, middle and high school levels. At the elementary level each of the eight schools fields a boys' and a girls' basketball team. Participants totaled 537 students. In the middle school there were a total of 332 students participating in aerobics, archery, soccer, girls' and boys' basketball and volleyball. In the high school 223 students took part in weight training and or basketball.

Approximately 75% of the athletic program transportation is handled by utilization of the two school vehicles owned by the District. The remaining 25% of the program transportation needs are met through utilization of the contracted bus service, mainly by using bus passes for transportation to practice sites.

It appears that the athletic program is efficiently and effectively managed and adequately meets the needs of the student body.

SCHOOL NURSING and MEDICAL SERVICES

A breakdown of district nursing staff and contracted doctor staffing is presented in the following tables.

TABLE 6		
Nursing Staff		
Berkeley Elementary	1 nurse	367 students
Brookdale Elementary	1 nurse	293 students
Carteret Elementary	1 nurse	388 students
Demarest Elementary	1 nurse	453 students
Fairview Elementary	1 nurse	375 students
Franklin Elementary	1 nurse	311 students
Oak View Elementary	1 nurse	340 students
Watsessing Elementary	1 nurse	297 students
Forest Glen	.5 nurse	37 students
Middle School	1.5 nurses	855 students
High School	2.5 nurses	1,470 students

TABLE 7		
Doctors Staffing		
High School, Middle School, Forest Glen	Senior Medical Inspector (MD)	2357 students
Brookdale, Demarest, Franklin & Oak View Elementary Schools	1 Doctor	1397 students
Berkeley, Carteret, Fairview & Watsessing Elementary Schools	1 Doctor	1427 students

When nurses are absent, substitute nurses are called in. When there are no substitutes available, a contingency plan exists whereby a nurse from a nearby Bloomfield school is on call.

The District uses three doctors to perform needed services during the course of the school year; e.g., physicals, ear examinations, etc. The doctors, each of whom maintains a private practice, are not eligible for employee benefits. There are no existing contracts in place for these services.

We strongly recommend that formal written contracts be put in place for all outside medical services which identify the services to be performed, the District's recourse for non-compliance with the contract, and the cost of these services.

The Review Team suggests that the District pursue a county-wide consortium of doctor's services and/or that the District pursue the recommendation made in the Shared Services section of the report regarding the provision of health services.

Functions

The major functions performed by school nurses are first-aid services, illness assessments, and the performance of various screenings and tests. In addition, they provide instruction, hold conferences with students, parents and medical personnel, maintain records, monitor attendance, and administer medications.

Miscellaneous activities of nurses include the following:

- Assisting with lunch duty, fire drills and evacuation plans
- Entering new students to the school
- Child Study Team functions
- Referrals to Health Dept., DYFS, Lions Club, etc.
- School Insurance processing
- Liaison to Voluntary Health Organizations
- Ordering health supplies and equipment, although some ordering is done through the building principals
- Kindergarten orientation and registration

With the exception of the high school nurses' office, the nurses have no access to computerization in their offices to facilitate record maintenance. Records are manually updated and passed along to the next school the child attends.

The possibility of assigning the School Insurance Program paperwork to a secretarial staff member should be looked into as it is essentially a clerical function. Some schools in the District already do this, while others do not.

Computerization of student records would facilitate the record keeping task and the transfer of information from school to school.

LIBRARIES/MEDIA CENTERS

The high school, middle school and each of the eight elementary schools in the Bloomfield School System have their own libraries/media centers. While the high school and middle school libraries have a librarian/media specialist on duty at all times, each librarian/media specialist at the elementary level is shared by two schools.

Though only staffed with a half-time librarian, the elementary libraries still remain open or accessible with teacher supervision all day. Each of the schools has between 15 and 20 volunteers who receive library skills orientation and work in the libraries - returning books to shelves, offering assistance to students, etc. Classroom teachers commonly take their students to the library to work on research projects.

The Technology Activity Centers (TACs) are located in close proximity to the libraries at each of the elementary schools. These are computer labs where, in addition to library skills instruction, the librarian/media specialists provide technology instruction and assist students in conducting research. Reference materials are accessible via CD Roms.

Although the volume of books and reference material is somewhat minimal in the elementary libraries, the individual Home and School Associations for each of the schools contribute between \$500 to \$2,000 per year to purchase books and computer software and hardware.

The middle school library has one full-time librarian/media specialist and three TAC's; two which are used primarily for reading and writing research and one for math related activities. There are a total of between 27 and 30 computers. The six teams in the middle school (three for grade 7 and three for grade 8; each consisting of five teachers and approximately 125 students) use these computer labs to support, enhance, reinforce and expand upon classroom teachings. The library also has five computer stations for students to use individually.

At the high school level, the library is under the supervision of one librarian/media specialist. Staffing also includes one secretary. There are ten computer stations in the library and CD ROM materials include Infotrack, the World Almanac and Grolier's Encyclopedia. The collection of books numbers about 30,000 and the card catalog is scheduled to be automated during the 1996-97 school year. The high school also has seven individual computer labs available to the students for individual and group work.

The team is very supportive of the efforts in the media centers and the TACs and encourages the District to continue providing these resources.

FACILITIES

Organizational Structure/Staffing

The maintenance and operations department is responsible for custodial services, plant operations, light maintenance and repair and capital renovations covering 1,027,446 square feet. Included in this square footage are eight elementary schools, one middle school, one high school, one closed junior high school, one special education facility, a service center, and an administration building. Actual custodial functions in 1994-95 were performed for approximately 708,755 square feet. The lesser square feet figure represents areas actually cleaned, as opposed to the full square footage of facilities, which includes "exterior" building spaces and building spaces in unused portions of the District's facilities.

The District maintains a 56 person full-time and a 16 to 18 person part-time custodial and maintenance staff. Each facility has at least one full-time custodian and one part-time custodian. In addition there are tradesmen and groundskeepers who have district-wide responsibility. The following provides a brief description of job titles and responsibilities:

1. Director of Facilities - responsible for the overall maintenance and operation of all facilities, security systems and grounds; acts as liaison to the Board on matters concerning facilities, maintenance and security.
2. Supervisor of Facilities - responsible for supervising crew of tradesmen and groundskeepers and management of facilities garage; developing new ACT 1000 computerized

maintenance system which will provide work measurement standards for staff; operates mechanics' shop to maintain vehicles.

3. Tradespersons - includes plumbers, electricians, carpenters and one painter; responsible for troubleshooting problems at the schools and working with contractors during renovations.

4. Custodians - responsible for daily maintenance of facilities; maintain each of the ten schools and Foley Field.

For ease of comparison to "market" rates, we have compared the cost of custodial services in Bloomfield to Lakewood School District, another district reviewed by Local Government Budget Review.

Total custodial salaries for the 1994-95 school year, not including part-time staff, amounted to roughly \$1,694,625. Other expenses were estimated to be \$176,683 for custodial services. Based on these expenses and the square footage actually cleaned, we estimate the square foot cost for custodial services at \$2.64.

We have compared this square foot cost to that identified in the contract for custodial services in the Lakewood School District. We have adjusted that contract cost to reflect current charges and added an inflation factor to reflect a 10% higher contract cost for the north Jersey area. We believe that the increase is generous and may actually produce a higher square foot cost than could be realized through competitive bids.

Using this inflated square foot cost of \$2.15, we estimate that the Bloomfield School District may be able to save approximately \$351,029 by competitively contracting custodial services. District officials have expressed concern over contracting this service because of the familiarity between students and custodial staff and the benefits that derive from such a relationship. We believe the potential cost savings are too significant to ignore contracting these services, however, should the District continue to have reservations, we suggest it consider contracting at least a portion of the custodial services. This portion could be that which does not directly impact on the relationship with the student body, such as evening custodians.

Cost Savings: \$351,029

Cost Saving Measures

The District has initiated a number of cost cutting measures, such as a chemical dispensing system in each school to control the use of certain cleaning solvents, the recent award of a contract for grass cutting which was formerly done by in-house staff, and the recent purchase of an automated maintenance management system which will, among other things, provide job cost information that can be used to evaluate the feasibility of competitively contracting certain functions.

We are very supportive of the District's cost saving efforts.

Facility Utilization

An estimated 24 percent of the total square footage currently maintained in the District was not being used in the 1994-95 school year. This includes the South Junior High School which has been vacant for more than ten years, Forest Glen, which was not used by the District itself in 1994-95, and Berkeley, Fairview and Watsessing elementary schools, which currently have third floor space that is not being utilized. Forest Glen was operating in the 1995-96 school year with a total enrollment of 37 students. The following provides an analysis of square footage per student for the District, excluding space in the South Junior High School.

The District has been trying to sell the South Junior High School, but has been unsuccessful to date. Even though it is closed, this building continues to demand a certain level of maintenance attention which will increase the longer the building remains vacant.

TABLE 8
Analysis of Square Footage per Student
(Based on 1995-96 Enrollment)

School	Total Student Capacity	Total Student Enrollment	Amount (Over) or Under Capacity	Total Square Footage	S.F. Per Student Capacity	S.F. Per Student Enrollment
High School	2,060	1,513	547	262,161	127	173
Middle School	997	869	128	119,040	119	137
Berkeley 345	376	(31)	65,592	190	174	
Brookdale	357	286	71	48,710	136	170
Carteret	350	370	(20)	53,270	152	144
Demarest	318	428	(110)	69,635	219	163
Fairview	407	350	57	52,435	129	150
Franklin	351	351	0	36,130	103	
103						
Oakview		337	351	(14)	46,379	138
132						
Watsessing	343	310	33	53,145	155	171
Forest Glen	300	37	161	27,572	92	745
Totals	3,108	2,859	822	834,069	268	

292

Americans with Disabilities Act (ADA) Compliance

District facilities are largely out of compliance with ADA regulations. A March, 1994 survey conducted by a professional consulting firm estimated that it would cost almost \$8.2 million to bring all facilities into full compliance. The District has adopted a strategy that will bring facilities into compliance as regular renovations are scheduled. The only school that has an entrance access ramp is the high school. An exact date could not be determined when district facilities would become fully compliant based on current planned renovations. It is clear, however, that the District does not see this as a major priority, reportedly because of the cost of these renovations.

While we recognize the significant cost associated with all facility renovations required for ADA compliance, we believe that much greater attention should be paid to these needs to better deliver the appropriate service to individuals with disabilities and to more adequately protect the District (and, therefore, its taxpayers) from litigation related to non-compliance with the ADA. At the very least, adequate facility access needs should be addressed. Related to our discussion of classroom space needs below, we believe that it may be a more cost efficient use of bond funds to put them towards ADA improvements and other building improvement needs identified by the District, instead of putting them towards an expansion of the middle school.

Classroom Space Needs

Projected enrollment for grades K-6 in the Bloomfield School District calls for an increase in student population of approximately 185 students by the school year 1999-2000. This would mean that ten additional classrooms of twenty students each will be needed at the elementary level. Eight additional classrooms would be needed if class sizes were increased to 25 students. These are classroom requirements for academic instruction, alone, and does not take into account separate classroom needs for instruction in such areas as music, art and similar disciplines now being taught on stage areas, in some instances. Appendix Table 4 provides a breakdown of the building capacities and projected enrollments through the year 2000.

The District has been investigating the feasibility of an addition to the Middle School to change it from a 7th and 8th grade school to a 6th through 8th grade school to free up space in the elementary schools to accommodate increased enrollments. It has also investigated a number of other options for increasing facility space, particularly for additional classrooms. These options are detailed in a study done in November, 1993 and revised in January, 1994 by the District's architect. The Review Team has reviewed this study, as well as enrollment projections for the District through the year 2000, and has completed site visits of each school. Unhesitatingly, we concur that the District does require additional classroom space than that which it utilizes at the present time. However, we suggest that there are yet other, less costly options available to the District than those presented in the architect's 1993/94 study. Our suggestions for consideration are based on our site visits and our review of a subsequent study completed by the architect regarding the re-use of the third floors of three of the elementary schools. These suggestions are based solely on considerations regarding cost efficiencies and admittedly do not include key factors that must go into a final decision regarding the appropriate use of school facilities. These factors include such things as the value of the educational program based on different physical settings, the educational and/or social value of educating sixth graders in the same facility as seventh and eighth graders, and the affirmative action benefits that may be derived in certain physical settings (though a variety of other methods are available to the District to meet its affirmative action/desegregation needs). The discussion of these factors falls outside of the scope of our review and is left to the community and school officials to decide.

Unused third floor space exists in the Berkeley, Fairview and Watsessing elementary schools. According to the architect, these schools could provide additional classroom space utilizing the third floors by:

- adding four small classrooms and four small group instruction rooms to the Berkeley School at an estimated cost of \$250,000;
- adding seven typical classrooms and three small group instruction rooms to the Fairview School at an estimated cost of \$600,000; and
- adding seven typical classrooms and three small group instruction rooms to the Watsessing School at an estimated cost of \$600,000.

These renovations would create at least eight more classrooms than enrollment projections through the year 2000 call for.

Considerable unused space also exists in the Forest Glen School, however the District is seeking to utilize more of this space through an expansion of its special education program at this school.

Another potential strategy would be to move programs and offices (e.g., nurses' offices, resource rooms, teachers' rooms, etc.) that presently occupy potential classroom space on the first and second floors in these buildings to the renovated third floors, thereby freeing up more classroom space for standard size classrooms on the first and second levels. Use of rooms which would qualify as standard sized classrooms for instruction should be given top priority for such use. Non-instructional uses should be terminated in those rooms. Some of the schools have rooms of various sizes that could be used for non-instruction purposes. Since varying amounts of classroom space could be reclaimed from different elementary schools through third floor renovation projects and full use of all existing space, some level of redistricting at the elementary level would be required.

We describe these options in an effort to provide cost saving alternatives to the proposed expansion of the middle school to accommodate sixth grade students. While we have acknowledged the need for additional elementary classroom space in general, we believe the provision of this space can be accomplished at less cost than the middle school expansion. These other options, however, will require the District's and the community's acceptance of some change in the neighborhood elementary school concept that presently exists because some extent of re-districting would be necessary. However, it appears that this change has already been accepted, at least to some degree, by acceptance of the sixth graders being sent to the middle school.

Given the estimate of the middle school expansion of close to \$13 million, we recommend that the District and the public consider the cost associated with their strong adherence to the neighborhood school concept for elementary school education. The renovation of the third floors in three elementary schools would provide more than the projected necessary standard classrooms, as well as additional small group instruction classrooms. The cost estimate for this project is roughly \$1,450,000. By renovating the third floors and fully utilizing existing space, we still believe the District could meet its classroom needs. Should the community and school officials decide to fully maintain the neighborhood elementary

school concept, they should realize the cost of such a decision and be willing to support it with necessary funds. Since considerable funds are needed to produce required ADA and other building renovations, the District and community might consider funding these improvements.

Again, we make these recommendations solely on a cost efficiency basis and fully acknowledge the myriad of other considerations that must be addressed through the combined effort of district officials and the community.

Capital Improvement Program

The Board of Education reviews a five year facility plan on an annual basis and approves funding for projects contained in the five year plan. However, it appears that the District has spent only a small portion of its budgeted amount for at least the past two years. The CAFR for the 1994-95 school year shows that only \$258,168 was actually spent of the \$576,480 budgeted. During the 1993-94 school year, only \$135,243 was spent of the \$429,738 budgeted. During this two year period, therefore, more than \$1 million was made available but less than \$400,000 was actually spent, a 40% rate of expenditure based on original budgeted amounts. This was reportedly due, in part, to a review and streamlining of work orders and may not prove to be the case each year.

The facilities are in good condition despite their average age of 78 years. In fact, five of the 12 facilities were built before the turn of the century. The Board commissioned a study of facilities which was completed in January, 1994. The study identified the installation of fire rated doors and new fire detection systems as the highest priorities above all other projects. However, the most recent five year facility plan clearly emphasizes general renovations as its largest single priority over the next five years. This would include, but not be limited to, ADA compliance projects. Under this plan for the school buildings, the high school would receive the largest amount (\$716,000), followed by Fairview (\$512,500), Demarest (\$438,000), Brookdale (\$433,000), Franklin (\$346,000), the middle school (\$343,000), Berkeley (\$318,000), Watsessing (\$245,000), Carteret (\$243,500), Forest Glen (\$216,000), and Oakview (\$198,000).

In 1991, the District contracted with the Essex County Improvement Authority to lease renovations and improvements at Bloomfield High, Foley Field and Watsessing School. Under this agreement, the Authority issued revenue bonds for the benefit of these leases in the amount of \$800,000. The leases will be paid in full on or before December 31, 1999. In addition, the District entered into a loan agreement with the State for the rehabilitation of Demarest School.

In light of the age of the facilities and the numerous renovation items in the five year facility plan, we suggest that the District fund and follow through on these renovations to the greatest extent possible.

Vehicles

The District has a fleet of 24 vehicles which range in age from four to 39 years old. The District has rated the overall condition of each vehicle on a scale from one (excellent) to five (poor). Based on this rating, most vehicles (14) scored between two and three, which is good to very good overall condition. The only vehicle rated in poor condition was a 1972 dump truck.

However, eight vehicles were rated in fair condition. It appears, therefore, that at least nine district-owned vehicles may need to be replaced in the near future. We were not provided, however, with a vehicle replacement program for the District.

The cost of maintaining vehicles in the District was \$73,858 in 1995. The breakdown of these costs are as follows:

- Salaries & Benefits	\$ 58,813
- Tires	1,211
- Parts & Supplies	4,889
- Contracted Services	1,746
- Fuel	<u>7,200</u>
Total	\$ 73,858

The District has one full-time mechanic who performs all of the in-house maintenance on vehicles and equipment. All fuel is purchased at the Township Department of Public Works garage and contracted services are the same vendors used for similar services by the Township DPW. While the DPW garage and the District garage share equipment and services on an as needed basis, the Township and the Board have no formal agreements to share facilities and services.

We compliment the District for its cooperative service arrangements with the Township and suggest that they become part of more formalized shared service agreements.

FOOD SERVICE

Scope of Program

Current trends in the District reveal that the number of reduced lunches and free lunches is increasing, while the number of paid lunches is decreasing. In the 1992-93 school year, there were more than 155,000 paid lunches. In the 1994-95 school year, the number of paid lunches dropped to well below 140,000. During this period, the number of reduced and free lunches increased. Between the 1992-93 and 1994-95 school year, the number of reduced lunches increased by almost 8,500, from 24,815 to 33,300. While these increases were significant, the more dramatic increase was in the number of free lunches, which experienced an increase of well over 23,000 during this same period. As a result of these increases in reduced and free lunches, the District's State and Federal reimbursement has increased by more than \$104,000, from \$214,010 to \$318,821 during this same period.

During the 1994-95 school year, a total of 580,119 meals were served, including class A, A la carte and special function meals. An estimated 48%, or 277,850 of all meals were the class A meals, which are the basis for calculating State and Federal reimbursements. In addition, 288,702 A la carte meals were served and 13,567 special function meals were served. An A la carte meal is defined as any food purchase outside of the class A meal and a special function meal is defined

as meals served outside of the normal student lunch, such as Board of Education meetings and teacher and staff functions.

The District had approved applications for 744 free and 302 reduced lunches, but records indicate that only 598 free and 190 reduced lunches were served daily during the 1994-95 school year. This equates to a 75% student participation level in the free and reduced lunch program during the 1994-95 school year.

Financial

Food service in the School District cost \$785,058 through the end of the 1994-95 school year. This cost was charged against \$814,099 in revenue generated for the 580,119 total meals served by the lunch program during this period. The revenue included \$258,370 in reimbursements from the State and Federal government. Based on these revenue and cost amounts, and the combination of all meals served, each meal cost the district \$1.35 and each meal generated \$1.40 in revenue for the program. Therefore, it appears that each meal served generated a profit of \$.05. We estimate that a surplus of \$29,041 in revenue was received during this period. However, the Team found that the cost of lunch aides was not included in these calculations. The District budgets more than \$150,000 annually for the cost of lunch aides and a portion of the salary of the administrative assistant in the Business Office, which we contend are eligible charges against the lunch program, but are not currently included by the District. When these costs are added to the other program costs, it is operating at a deficit of \$120,959.

Government reimbursements can only be applied to the class A type meal. All other categories of meals are paid for on a fee for service or cash basis. The revenue generated from a class A type meal is estimated to be \$1.84 per meal, while an A la-carte or special function meal is \$1. When we compared the revenue generated for each class A meal to the amount that students are paying for a class A meal, we found that a class A meal is generating an extra 14 to 24 cents above what students are paying. Students are charged \$1.60 (elementary schools) to \$1.70 (middle and high schools) for a class A type meal. Moreover, we estimate that each class A type meal is costing \$1.74, not including the cost of lunch aides. If the \$120,959 deficit were to be made up through an increase in class A meal costs, alone, the per meal cost would have to be raised to \$2.17. Different combinations of per meal costs would yield increase in the other categories of meals, as well.

We suggest that eligible costs, including that of the cost of lunch aides be included in the food service cost totals and that some combination of per meal increases be implemented to cover the current deficit.

Revenue Enhancement: \$120,959

We further suggest that the District review the current provision of special function meals and seek to reduce their number by approximately 50% to only those occasions when they are particularly warranted.

Cost Savings: \$6,784

Contract

Currently, the District is under contract with Canteen, Inc. to provide student lunches. Under the terms of this contract, Canteen guarantees that the lunch program will operate at a profit to the District. In fact, the 1994-95 audit report shows that the District had at least \$125,704.47 in retained earnings (profit) at the end of the 1994-95 school year. Spending of these earnings is regulated by federal regulation and is limited to lunch program related costs.

The District is expected to maintain the services of the Canteen organization through the 1996-97 school year. They do have an option of competitively bidding the service in the next school year, but have opted to retain the current service because of the level of satisfaction with the service. Canteen has completed two years of service in the District, including the 1995-96 school year. The service, which began in 1994-95, was contracted at a management fee of \$0.068 per meal initially and this fee was increased to \$0.075 per meal for the current school year. The following is a comparison of management fee costs for one of the other similar districts used throughout this report for comparison purposes.

<i>District</i>	<i>Number of Class A Meals</i>	<i>Cost per Meal</i>	<i>Total Management Fee</i>
Bloomfield	277,850	\$.075	\$20,839
Union	553,715	\$.045	\$24,917

Bergenfield was not used in this comparison because they also offer breakfasts, and that cost was not discernible from other meal costs. Nutley was not used because they do not contract out for this service, but rather use in-house staff (with full benefits) and there is, therefore, no management fee per se involved. Based on this comparison, Bloomfield is paying a much higher management fee per class A meal than Union.

Based on this information, it may be in the District's best interest to re-bid this contract to make sure that the current costs are in-line with the "market" price to provide this service.

The District should consider re-bidding this service to promote competition and thereby achieve the most cost effective contract. This contract should continue to include the requirement for the program to operate at a profit (including lunch aide costs). We estimate that Bloomfield could save approximately \$8,336 if the management fee was reduced to a similar level as Union's through competitive bidding or more effective

negotiations. Greater savings are also likely to occur in per meal costs, based on experience in other districts. The securing of greater competition for the delivery of these services may entail greater advertising effort on the part of the District.

Cost Savings: \$8,336

TRANSPORTATION

Scope

The District has privatized most of its student transportation services under contract with two major carriers. Service is provided to both public and non-public schools. Between the 1993-94 and 1994-95 school years, the number of out-of-district students that were bussed to school increased by almost 45 percent, from 220 to 318 respectively. As a result, the cost of out-of-district transportation increased by more than \$141,000. The District provided busing for almost 80 ESL students at an estimated cost of \$21,280. In addition, the District made “payments in lieu” for 271 students at a total cost of \$176,150.

The District owns two busses which are used for moving students between schools in the District for various activities. The busses are not utilized for any other purpose during the school day.

We recommend that the District consider utilizing these busses for small group field trips and/or after school sports teams trips, if they are not utilized for special education transportation as we suggest.

Financial

Based on the audits, the following table provides an evaluation of transportation expenditures in relation to the amount of State aid received by the District:

TABLE 9

	1992-93	1993-94	1994-95
Transportation Expenditures	\$ 1,357,082	\$ 1,240,449	\$ 1,478,356
State Aid for Transportation	\$ 881,367	\$ 894,921	\$ 894,910
District Supported Amount	\$ 475,715	\$ 345,528	\$ 583,446

Expenditures for the 1994-95 school year are the highest of the three year period provided in the historical data above. The amount of State Aid rose by more than \$13,000 during the 1993-94 school year despite a \$117,000 reduction in expenditures from the previous year. It is noteworthy that State aid remained the same despite a \$230,000 increase in expenditures from the previous year for the 1994-95 school year. It appears, therefore, that changes in State aid amounts are not timely enough to reflect changes in the overall cost of transportation services.

Scope

The following is an analysis of the number of students transported for the last two years based on the District's ASSA transportation worksheet:

TABLE 10

Year	Regular Public Students	Regular Non-Public Students	Special Educ. Svcs Comm	Total	Paid in Lieu	Essex Cty Educational	Grand Total
1993/94	771	127	89	987	291	71	1,349
1994/95	819	224	96	1,139	271	78	1,488
Change	48	97	7	152	20	7	139

Our review of the number of students being transported compared to the capacity of the busses being used revealed the following data:

TABLE 11

Regular Capacity	Special Ed Capacity	Total	Regular Bussed	Special Ed Bussed	Total	Regular Difference	Special Education Difference	Total Difference
1,400	256	1,656	1,107	194	1,301	293	62	355

It appears that the capacity of busses used to transport students is well in excess of the number of students actually using the services. We estimate an unused capacity of 355 seats, or more than 21% of total capacity. This estimate does not include those special education students who are transported by the Essex County Educational Services Commission (ECESC). Our analysis shows that the cost of unused capacity increased by 34% for regular students and 7% for special education students in 1994-95 from previous levels. Overall, the cost of unused capacity was up by 18%. We estimate the cost of this unused capacity to be \$232,000 - \$105,000 for regular bussing and \$127,000 for special education bussing.

The ECESC costs were by far the highest in the District. The cost of transporting 78 students in the 1994-95 school year was well over \$.5 million, which averaged out to more than \$6,700 per student. In fact, we found costs which have been as high as \$3,000 for one month of service for a single student. This amounts to \$30,000 per year for a single student. We also found a number of instances where the District is being billed more than \$2,000 per month, or \$20,000 per year to transport individual students.

The District contracts out for a bus that transports a total of 15 students to the Essex County Vocational School two times per day at a cost of \$32,517. The bus has a capacity of 54 seats.

The District does not use computerized routing of busses which has proved to be cost effective in many school districts. It should also be noted that the District has not competitively bid the contracts in several years. The last time the contracts were bid, the District only received one

response. The contracts are renewed annually with a negotiated increase. That increase averaged almost ten percent for regular students and almost 20 percent for special education students between 1993-94 and 1994-95. N.J.S.A. 18:39-3 permits school districts to renew contracts for a maximum of five years, at which time they must be re-bid.

The practice of bussing ESL students will no longer exist since individual schools will be charged with education of their own ESL students beginning in the 1996-97 school year. This will save the District an estimated \$21,280 annually and we support this change.

The team suggests that the District investigate the possibility of utilizing its own busses for the transportation of the 15 students to the Essex County Vocational School to reduce the current \$32,517 cost. The reduction would be equivalent to the difference between this current cost and the cost of the driver(s) for the District's busses.

We suggest that the District implement computerized routing to help reduce the number of routes and increase the number of students on each bus. For each regular bus reduced, we estimate a saving to the district of \$27,000 per year. For each Special Education bus reduced, we estimate a savings of \$16,000 per year. The estimated cost of the computerized system is \$8,000.

Value Added Expense: \$8,000

The District should examine the ECESC transportation costs on a case by case basis and identify less costly alternatives to this current high cost service (\$6,753 per special education seat). This examination should be looking to reduce costs closer to the in-district average for special education students of \$996 per seat.

The District needs to re-examine alternatives to its current contractors in an effort to reduce costs. It may be wise for the district to re-bid this service on an annual or semi-annual basis and pursue competitive contracts to this service. The securing of greater competition for the delivery of these services may entail greater advertising effort on the part of the District.

INDIVIDUAL SCHOOL HIGHLIGHTS

The team was impressed by the special programs developed to meet the unique needs of the students in each school. It is clear that considerable effort has been made by the principals and staff at each school to target programs to assist the particular student body enrolled in that school. These efforts are highlighted below. Enrollment figures are for the 1995-96 school year.

Berkeley School

The Berkeley School is a pre-K - 6 elementary school with special education and ESL programs. There are approximately 376 students. Over 50% of these students are minority students representing 52 countries, and approximately two thirds of the population is transient. Berkeley is participating in the Koalaty Kid program sponsored by the American Society for Quality Control

which fosters the growth of Koalaty Kid in schools throughout North America. It is an approach to elementary education that stresses quality through the utilization of partnerships between schools, businesses and total quality management professionals. Bloomfield College provides college students to assist teachers in improving reading scores. Consultants are brought in as part of the program to provide Total Quality Management (TQM) training and assistance in developing TQM strategies for self-esteem development.

Brookdale School

The Brookdale School is a K - 6 elementary school with an ESL program. There are approximately 286 students. Brookdale has a number of initiatives in place to improve the learning environment. On-going curriculum and staff development are reported to be strengths in this school. There are high expectations for student academic performance and behavior which are continually reinforced. Shared decision making has been implemented, which involves the principal and a variety of staff members. There has been considerable effort made to move the library out of the basement and into a central area of the school to encourage greater use and familiarity with the resource. The school actively uses peer counseling to help prevent and/or deal with poor behavior.

Carteret

The Carteret School is a K - 6 elementary school with approximately 370 students. An estimated 58% of the student body is minority and there is a high transience rate. The Carteret School is unique in that it has an Education Foundation that provides funds for a variety of school functions and special classes, in conjunction with the Home and School organizations. Another important program at this school is the Saturday Enrichment Program, which began this spring. It offers classes in such areas as foreign languages, art, sports, and computers. The Education Foundation is subsidizing this program. There is also a significant effort made to reach the parents of the students with information about the school and classes and programs aimed at both the students and the parents.

Demarest

The Demarest School is a K - 6 elementary school with approximately 428 students. The school has a program in place to “celebrate good children,” which involves recognizing good student actions. The school is also involved in a social problem solving program with the University of Medicine and Dentistry of New Jersey.

Fairview

The Fairview School is a K - 6 elementary school with approximately 350 students. In an effort to adequately address multi-cultural issues, the Global Education Committee was established. This committee initiates assembly programs, the “friendship tree,” and opportunities for parental involvement in focusing on the needs and achievements of a multi-cultural community. A student council was created several years ago that is involved in community activities, such as anti-drug awareness programs and programs for the needy.

Franklin

The Franklin School is a K - 6 elementary school with approximately 351 students. The school has a unique banking program employing the cooperative efforts of a local bank. The school started the Lincoln Penny Drive, in which money collected is put towards beautification projects. The bank offers matching funds for each student up to \$5. Money is collected bi-weekly and parents come into the schools to collect it and take it to the bank. The class who collects the most money gets to throw pies at the principal. There is also a “Color Day” at the school in which every classroom is divided into two colors for athletic contests run by parents. The winning team gets to “dunk” the principal.

Oak View

The Oak View School is a pre-K - 6 elementary school with a special education program. It has approximately 351 students. The school has a Saturday Enrichment Program that provides classes in such areas as computers, shop and art. The drama club in this school is also considered unique.

Watsessing

The Watsessing School is a K - 6 elementary school with approximately 310 students. The school has recently implemented a thematic curriculum that involves integrated instruction across a variety of subject areas to help students internalize relationships and connections that exist. Lessons have been developed for each grade which relate to their respective themes. There is a “Wee Deliver” program in the school which is an in-house post office operation that teaches written language skills. The local Post Master assists in the “training” of the students for the operation of the post office. There is a “Caught Being Good” program which is a lunchroom program for rewarding students for behaving well.

Forest Glen

The Forest Glen School is a special education school that just opened in September 1994. It is currently for high school aged students, but there are plans to expand the program in the near future to include middle school students. There is reportedly more of an academic focus in this public special education school than in private schools. There are a variety of program enhancements that are planned for subsequent years, such as an art program, psychiatric counseling, extra-curricular activities, programs designed to reinforce the consequences of poor behavior and prevent future occurrences, and greater use of community resources. This is clearly a place to help special education students become productive members of the community.

Middle School

The Middle School is currently a school for grades seven and eight, though there are plans to include the sixth grade, as well. There are approximately 855 students. The principal holds a parent roundtable once per month to obtain their input on school programs and activities. There are also parenting skills sessions with counselors in small groups who provide more focused attention to the parents’ needs. These sessions are offered at a modest cost. The school has “Prime Time” every day which provides numerous club activities for students with a variety of interests. It is also an opportunity for students to make up missed tests or receive additional help in a particular subject.

High School

The High School serves grades nine through twelve and has approximately 1,470 students. It is a comprehensive high school which provides variety in its academic and vocational education. One of the more successful programs is the School-To-Work program which is a consortium of several schools that provides educational career opportunities in a variety of areas, particularly health careers. The school's Key Club involves high school students going to the middle and elementary schools to provide extra academic help to students who are struggling in a particular subjects.

We compliment the individual schools for their development and implementation of creative programs which focus on going above and beyond meeting the particular needs of their students. We encourage the continuation of these efforts.

SHARED SERVICES**School District/Township**

The School District uses municipal facilities, such as parks, fields and tennis courts quite extensively without charge, while the municipality prepares all fields. The municipality also utilizes school facilities and at times is charged a fee for such use. Such fees total approximately \$15,000 per year.

The School District provides parking for Township residents on school property during municipal snow removal efforts in an effort to keep municipal roads clear.

Heavy equipment is shared between the School District and Township when needed, which avoids duplication of equipment purchases and maintenance.

There is joint gasoline and salt purchasing between these two entities.

The Township provides recreational grant funds to the District for the Special Olympics.

The Township and School District coordinate activities for the Youth Week Track and Field competition.

Township/Bloomfield College/School District

Bloomfield College provides reduced tuition rates for police officers and fire fighters and is now in the process of arranging for similar benefits for Bloomfield teachers enrolled in a Masters program. Through the Bloomfield School District, the Masters program tuition reduction may also be extended to teachers in other districts in the future.

School District/Other

The School District has pursued shared transportation arrangements with other districts and the Essex County Education Commission, and has also participated in cooperative purchasing arrangements with other districts.

In addition, the District has had a great deal of success with public/private partnerships. These include the Health Careers program with Hoffman LaRoche and Passaic General Hospital (now seeking to include other districts in a consortium), a proposed Interactive Television (ITV) consortium, and a proposed program involving local merchants in supporting a student awards program.

Recommendation: We were very impressed with the opportunities in Bloomfield Township for shared service arrangements involving the School District, Township, Bloomfield College and private industry. We suggest that these entities take advantage of the positive relationships that have developed to provide services at cost efficient levels. To that end, we make the following suggestions for shared service arrangements that could be pursued. The focus is not only on those items that could be taken over by a particular entity and provided to others, but it is also on simply defining the value of the services and activities “shared” while getting appropriate “credit” for such efforts to equalize the burden of service provision. Formal written agreements should be developed to document the cost and benefit derived from such activities, particularly because of the combination of public and private funding sources.

We suggest that the School District, College and Township investigate the possibility and feasibility of:

- utilizing Community Development Block Grant funds for facilities for individuals with disabilities, for socio-economic and cultural diversity training and awareness seminars, and utilizing Clean Communities Grant funds for joint litter control activities;
- securing one food service vendor for “bulk purchasing” for school, college and senior citizen meal services;
- work-study, internship programs and career seminars in school and public administration, and sharing expertise for school-to-work programs;
- coordinating an enhanced approach to downtown redevelopment efforts which would include merchants; utilizing the Business Department at Bloomfield College for revitalization assistance; continuing the college’s sponsorship efforts for Chamber of Commerce training sessions;
- activities involving computer training, programming, access, support, closed circuit teaching;
- joint training on legal matters regarding personnel policies, and other similar training needs, such as Right-To-Know compliance and CPR;
- joint library services, programs and computer access;
- shared recreational facilities;
- shared garbage, recyclables and snow removal activities; and

- **joint health-related services.** We believe that the Township has an opportunity to explore a significant combination of health related services with the School District, and possibly Bloomfield College. For example, while there are existing restrictions and limitations to all three entities joining together in some form of a Health Insurance Fund or other single organizational entity, all three entities could pool their resources to seek out health related services through “bulk purchasing” from vendors. We suggest that a variety of health services, other than just health benefits, might be applicable for such an arrangement. These services could include many of the services now performed by the Township’s Health Department, the Emergency Service Squad functions and workers’ compensation related medical services. Appropriate agreements between all three entities could be designed for administration and management responsibilities of this “managed care” hybrid arrangement. The intent of this arrangement would be to secure and combine the greatest number of health related services for the lowest available price, while not compromising the quality of the services. Individual pieces of the health related services “package”, instead of the entire “package” could also be explored.

There is also an opportunity for the District to pursue joint textbook purchasing with other districts or with the State (see Statutory and Regulatory Reform recommendation).

Given the technical expertise of the school district maintenance staff as electricians, plumbers, carpenters and other tradespersons, we suggest that the Township and School District review the possibility of shared service arrangements in these areas in the future. We acknowledge, however, that at the present time the work load in the school district probably prohibits significant sharing of these services, but may allow for a consulting type of service to the Township for particular contracting needs related to these disciplines.

STATUTORY and REGULATORY REFORM

This section of the report attempts to identify those areas where existing State regulations and/or statutory mandates appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to blame high costs and increased taxes on “State mandates.” Each Review Team is charged with identifying those areas in the regulations and to report those brought to the attention of the team by the local officials that have this negative impact. The findings summarized below will be reviewed by the appropriate State agency for the purpose of initiating constructive change at the State level.

Bilingual Education

As opposed to a “pull-out” ESL program, N.J.S.A. 18:35-18 mandates that a bilingual program be provided when there are twenty or more students who speak the same language in the district. There are approximately 70 Spanish speaking students in Bloomfield, 34 of which fall within a four year age span. This statute does not take into account the educational differences and requirements of particular age groups, which makes it very difficult for a district to provide appropriate bilingual education for a group of students with a wide age span, i.e. greater than four years.

It is the recommendation of the Review Team that consideration be given to a revision of the statute that would focus bilingual education on limited student age span groupings. For instance, the statute might be revised to require separate bilingual classes when there are twenty or more students within a four year age span who speak the same language.

An alternative suggestion is to permit waivers for districts which demonstrate the ability to meet the needs of its bilingual students without requiring the provision of separate bilingual classes.

School Election Change

A December 15, 1995 statute amendment was signed into law that increased the number of school election polling places to the same as those used in municipal elections in an effort to increase voter participation. This change has increased the election cost for the Bloomfield School District by approximately \$19,000 and did not measurably increase voter participation. This increased cost is a result of increases in staff costs for polling sites and increased advertising costs for ballots.

The Review Team recommends that this legislation be reviewed in light of the additional costs incurred without proven benefit by school districts as a result of its enactment.

LOCAL GOVERNMENT BUDGET REVIEW

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Louis C. Goetting, Assistant State Treasurer

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